Canadian Radio-television and Telecommunications Commission

Performance Report

For the period ending
March 31, 2007

The Honourable Josée Verner, P.C., M.P.
Minister of Canadian Heritage,
Status of Women and
Official Languages

Table of Contents

SECTION I: Overview 3

Minister's Message *5*
Chairman's Message *7*
Management Representation Statement *10*
Raison d'être *11*

SECTION II: Analysis of Performance by Strategic Outcome 15

Strategic Outcome *16*
Planned and actual spendings for the strategic Outcome *17*
CRTC – Result Chain *18*
Status of Performance on CRTC's Priorities for 2006-2007 ..... *19*
Broadcasting and Telecom Accomplishments *21*
Cultural Prosperity *21*
Economic Prosperity *25*
Social Prosperity: *34*

SECTION III: Supplementary Information 37

CRTC Organization Chart 38
Table 1: Comparison of Planned to Actual Spending 39
Table 2: Resources by Program Activity 40
Table 3: Voted and Statutory Items 40
Table 4: Services Received Without Charge 41
Table 5: Sources of Respendable and Non-Respendable Revenue 41
Explanation of Revenue 42
Table 6: 2006-2007 User Fee – User Fees Act 45
CRTC External Fees and Policy on Service Standard for External Fees 45
Table 7A: CRTC External Fees 46
Table 7B: Policy on Service Standards for External Fees 47
Table 8: Financial Statements – Year ended March 31, 2007 54
Table 9: Response to Parliamentary Committees, Audits and Evaluations 70
CRTC Accountability Activity Structure 71

APPENDICES 73

Appendix A: CRTC Members and Offices 74
Appendix B: Legislation, Directions and Associated Regulations 76

SECTION I:
Overview

Minister of Canadian Heritage,
Status of Women and Official Languages

Ministre du Patrimoine canadien,
de la Condition féminine et des Langues officielles

Ottawa, Canada K1A 0M5

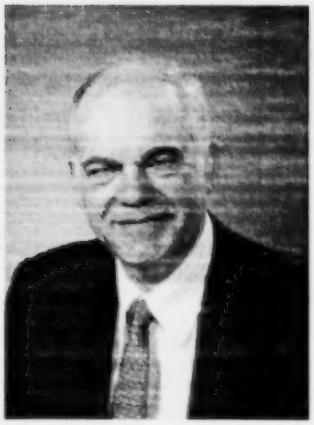
Minister's Message

As Minister of Canadian Heritage, Status of Women and Official Languages, I am pleased to present the Canadian Radio-television and Telecommunications Commission's (CRTC) *Departmental Performance Report* for the year 2006-2007. The report highlights the important achievements of this independent and public agency over the last fiscal year, and demonstrates how it continues to fulfill its mandate to regulate and supervise broadcasting and telecommunications in Canada in the public interest.

The CRTC faces considerable challenges in dealing with these rapidly evolving sectors of activity, particularly as a result of the constant technological developments and the convergence of the two industries. I am pleased to note that the CRTC's work draws not only on these factors and on the laws that govern it, but also on the orders in council issued by the government last year, whether they originated from the Minister of Industry, in order to promote competition in the Canadian telecommunications market, or from the Minister of Canadian Heritage, in order to examine the future environment of the broadcasting system. The CRTC ensures that Canadians benefit from the advantages of competition and have access to a first-class broadcasting system and first-rate Canadian programming.

The *Departmental Performance Report* demonstrates the unique and important role that the CRTC plays in helping to shape and strengthen our identity as Canadians.

The Honourable Josée Verner, P.C., M.P.



I am pleased to present the CRTC Departmental Performance Report for the year 2006-2007.

Although broadcasting and telecommunications have historically operated as two distinct industries, new technologies and new media have brought them closer together. This convergence poses many challenges for the Commission, not the least of which is how to ensure that the objectives of our governing legislation are met. The objectives set out in the *Telecommunications Act* are mostly economic in nature, whereas those outlined in the *Broadcasting Act* are mostly cultural and social. The Commission has adopted a regulatory approach that strives to be lighter and smarter. By necessity, this approach must be applied differently to the two industries.

Our goal in telecommunications is to remove regulatory obstacles in order to foster an efficient and competitive market, and to regulate only in cases where the market fails to fulfill the *Telecommunication Act's* objectives. However, we cannot rely solely on market forces to realize the social and cultural objectives described in the *Broadcasting Act*. As a result, we must regulate to make certain that Canadian content is produced and broadcast, and that all Canadians are able to access the broadcasting system and can participate in it. It is of the utmost importance that our regulation be responsive to the evolution of the broadcasting industry.

During 2006-2007, the Commission began to review its regulatory frameworks to ensure they remain relevant given the technological changes that are reshaping the broadcasting and telecommunications industries. It is an activity that will remain one of our top priorities in the near future. We are committed to working collaboratively with Canadians as we continue to cast an objective eye on our existing policies and regulations.

We also created a Policy Development and Research sector within our organizational structure to ensure that our decisions, policies and regulations are adaptive to the evolving environment and responsive to Canadian needs. This new sector is tasked with the development of policy for the traditional broadcasting system, as well as new media and new technologies.

Broadcasting

Among its many activities, the Commission:

- reviewed its commercial radio policies and established a new approach to Canadian content development that takes into account the unique circumstances of small-market stations as well as emerging artists;
- prepared a report entitled *The Future Environment Facing the Canadian Broadcasting System*, which highlights the impact the evolution of audio-visual technologies is having on how Canadians communicate, express themselves and interact with various media;
- launched a review of certain aspects of its framework for over-the-air television services and held public hearings;
- launched a proceeding to review issues relating to the *Broadcasting Act's* objective of ensuring that the broadcasting system provides Canadians with a diversity of voices; and
- developed an approach to establish emergency alert services that will enhance public safety by using the broadcasting system to inform Canadians of events that could endanger their lives.

Telecommunications

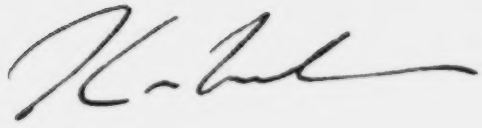
Among its many activities, the Commission:

- worked closely with the telecommunications industry to ensure the successful implementation of wireless number portability across the country;
- developed a statement of consumer rights relating to local home phone service for customers of traditional telephone companies;
- determined that it was in the public interest to allow public authorities to use the numbers and addresses in 9-1-1 databases to improve the effectiveness of telephone-based emergency public alerting systems;
- developed a framework to deregulate local telephone service; and
- initiated a proceeding to review the regulatory framework for wholesale services and to consider a revised definition of essential services.

In addition, the Commission has endeavoured to reduce the amount of time required to process certain applications. For example, in March 2006, the Commission announced an expedited process for licence amendment applications for the broadcasting sector. In the first year of implementation, we were successful in reducing the average processing time by 50 per cent over the previous year's results. We have also undertaken a review of the process for certain types of applications that involve an oral public hearing. New measures will be introduced in early 2007-2008.

In December 2006, the Commission re-introduced service standards for telecommunications applications and indicated it would evaluate the results on an annual basis. In particular, the service standards for the processing of tariff applications will enable telephone companies to respond more quickly to consumer needs in an increasingly competitive market.

I invite you to review the report that follows to learn more about these activities and the many others that the Commission undertook during the year 2006-2007.



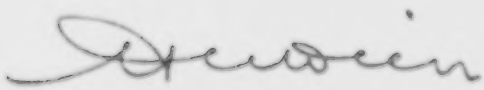
Konrad von Finckenstein, Q.C.

Management Representation Statement

I submit, for tabling in Parliament, the 2006–2007 Departmental Performance Report (DPR) for the Canadian Radio-television and Telecommunications Commission (CRTC).

This document has been prepared based on the reporting principles contained in the *Guide for the preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.



Robert A. Morin, Secretary General

Raison d'être

The CRTC was established to sustain and promote Canadian culture and achieve key social and economic objectives. The Commission does this by regulating and supervising Canadian broadcasting and telecommunications in the public interest. In doing this, the CRTC is governed by the *Broadcasting Act* of 1991 and the *Telecommunications Act* of 1993.

The *Broadcasting Act* seeks to ensure, among other things, that all Canadians have access to a wide variety of high quality Canadian programming.

The *Telecommunications Act* seeks to ensure, among other things, increased reliance on market forces for the provision of telecommunications services and that regulation, where required, is efficient and effective.

Since 1928, when the Government of Canada created the first Royal Commission on Broadcasting, the government has sought to develop policies to keep pace with changing technology.

The CRTC is an independent public authority, reporting to Parliament through the Minister of Canadian Heritage.

Our challenge is to serve the public interest by maintaining a balance among the cultural, social and economic goals of the legislation on broadcasting and telecommunications, taking into account the wants and needs of Canadians.

Like most organizations, the CRTC does not work in isolation. Environmental factors over which it has little or no control, such as the state of the economy, capital markets, societal change and emerging technology, influence the CRTC's work, priorities and outcomes.

Four principles will govern the Commission's management of the regulatory process in the coming years:

- transparency
- fairness
- predictability, and
- timeliness.

Transparency means that the Commission will be as open as possible in our dealings with all the stakeholders, as far as the law permits. Everyone should see exactly what we are doing, and why, so that they understand how we function and how they can interact with us.

Fairness means that every matter that comes before us shall be handled with well-established, even-handed procedures that will lead us to a well-considered outcome.

Predictability means that when we make decisions, we will follow a clear direction and will be consistent. And if we depart from our direction, we have to explain why, and specify whether this departure is an exception or a change in course.

Timeliness is a concept that means we should make our decisions as quickly as we can in a responsible manner.

Broadcasting Environment

Canada's broadcasting system remains one of the most open and advanced broadcasting systems in the world, both technologically and in terms of variety of programming. Canadians enjoy a vast array of radio and television services that offer a wide range of programming choices from around the world, as well as from domestic sources. In addition, the broadcasting system has benefited from the contributions of private, public and community broadcasters, with each element playing a distinct and important role.

Several successes characterize our state-of-the-art broadcasting system:

- The Canadian broadcasting system gives Canadians access to hundreds of broadcasting services regardless of where they live in Canada.
- Canadian specialty television services have flourished, providing Canadians with ever-increasing choices of niche programming.
- The evolution to digital technology has begun, and the Canadian broadcasting system is poised to embark on a full transformation.
- Policies and regulations are in place to ensure that broadcasting services are available in both official languages throughout the country.
- The Canadian broadcasting industry is making important contributions to Canada, both culturally and economically. It has grown to become a multi-billion dollar industry, employing Canadians in diversified fields, from artists, writers and actors to technicians and engineers.

The above successes notwithstanding, the Commission fully recognizes that the broadcasting system faces substantial challenges. Among these is the challenge of technological evolution, which has all but erased established boundaries for television and for radio. As a result, broadcasters must now amend their business plans to continue to provide increased access to a wide variety of services from around the world, while also fostering a financially viable and culturally important Canadian broadcasting system. In this context, the Commission is working diligently to increase the number of Canadian programming services while also increasing the availability of foreign language services to better serve the diversity of the Canadian population.

New technologies have created new media. The emergence of new media, or the provision of audiovisual services delivered and accessed over the Internet or other non-traditional networks, has created a number of new challenges for the CRTC. The way we

respond to these challenges will have long-term consequences for the Canadian cultural landscape. The Commission is therefore undertaking a new media project initiative to provide a solid basis for policy development in this new environment.

An important aspect of the Commission's work consists of fulfilling the social and cultural objectives of the *Broadcasting Act*. To achieve this, the Commission must continue to regulate this sector, mainly to ensure the availability of quality Canadian programs and the accessibility of programming for all Canadians, regardless of their origin or condition. Nevertheless, this regulation should be smarter and more efficient in order not to create obstacles to the broadcasting sector's economical development.

The Commission will continue to work collaboratively with the industry, to ensure that the business and cultural challenges ahead are successfully met.

The Commission has planned two major policy reviews. In the fall 2007, public hearings will begin on the issue of ownership consolidation and maintaining a diversity of voices in broadcasting. Later in the fiscal year, the Commission will conduct a review on the regulation of pay, specialty and video-on-demand services, and of the broadcasting distribution undertakings.

Telecommunication Environment

Telecommunications is an important component in the social and economic fabric of Canada. It is universally available with over 98% of Canadian households subscribing to landline and/or mobile phone service.

Traditionally there have been two separate and independent landline networks in Canada that accessed Canadian homes; the local telephone network and the cable distribution network. The major cable companies have evolved their networks to deliver not only advanced cable services but telecommunications services as well, such as Internet access service and more recently local telephone service.

In 2006, the Canadian telecommunications service industry continued to grow with mobile phone and Internet services driving the growth. The competitors' share of total telecommunications revenues, including landline and mobile phone service revenues, continued to increase and reached 38% in 2006.

Canada's telecommunications environment can point to four competitive successes:

1. Canada has some of the lowest long distance services prices in the world.

2. Canada has a healthy and competitive mobile phone services market that experienced a 10 % increase in subscribers and a 15% increase in revenues in 2006.

3. Canada's competitive high-speed Internet services market continues to grow as over 93% of Canadian households are able to subscribe to broadband service. Canadians continued to embrace technologies including broadband access to the Internet as the number of residential subscribers with high-speed Internet services increased by 16%. This positions Canada well to take advantage of the services, opportunities and benefits that the Internet has to offer.

4. The competitors of the incumbent telephone companies continued to gain market share primarily due to the dramatic growth in local competition. Competitors had strong growth in their number of local lines in the residential market, essentially from cable companies. In 2005, they started to provide local telephone service generally over a managed network and by the end of 2006, they captured almost 12% of local residential lines to become major competitors of the incumbent telephone companies in residential markets.

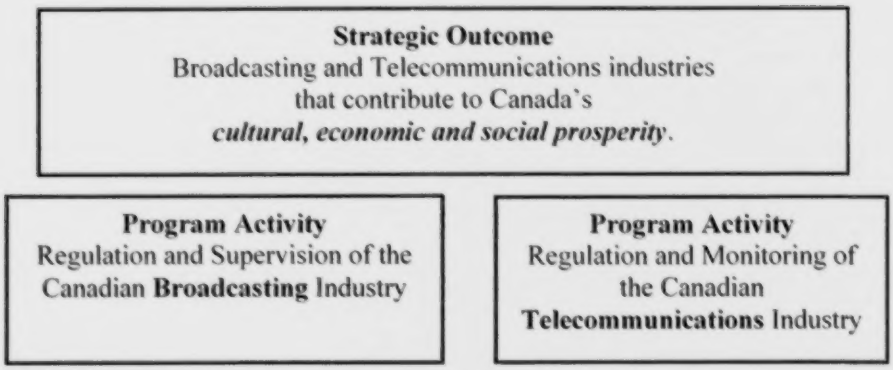
In December 2006, the Governor in Council issued a Policy Direction to the Commission that, among other things, directed the Commission to rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives. At that time the Commission estimated that 30% of telecommunications revenues were subject to economic regulation. With frameworks in place for deregulating the remaining major regulated retail services, the percent of telecommunications revenues subject to economic regulation is expected to decline significantly in the coming year.

Policy Development and Research (PDR)

In early 2007 the Commission completed a reorganization designed to allow the Commission to respond to the rapidly-evolving technological, cultural, socio-economic, and convergent landscape of the telecommunications and broadcasting industries. As part of this converged structure, the PDR sector is responsible for the development of regulatory policy for conventional and new distribution platforms, including new media, as well as mega-mergers.

SECTION II:
Analysis of Performance by Strategic Outcome

Strategic Outcome



The Commission seeks to achieve, through its activities, the above strategic outcome, which is defined as follows:

1. ***Cultural prosperity:*** increased availability of Canadian content and programming that reflects Canadian creative talent and Canada's linguistic duality, cultural diversity and social values, as well as its national, regional and community characteristics;
2. ***Economic prosperity:*** a sustainable, competitive Canadian communications industry; and
3. ***Social prosperity:*** increased access to a variety of innovative, high quality communications services, at reasonable prices, that meet consumers' needs and reflect their values.

Tasks to Achieve the Outcome:

The Commission fulfils its regulatory responsibilities by means of a number of inter-related tasks, including:

- issuing, renewing and amending licences for broadcasting undertakings;
- making determinations on mergers, acquisitions and changes of ownership in the broadcasting industry;
- processing tariff applications for the telecommunications industry;
- fostering increased reliance on market forces for the provision of telecommunications services and ensuring that regulation, where required, is efficient and effective;
- monitoring competition and removing obstacles to competition;
- collaborating with industry to resolve competitive disputes;
- developing and implementing regulatory policies with a view to meeting the objectives of the *Broadcasting Act* and the *Telecommunications Act*;

- monitoring, assessing and reviewing, where appropriate, regulatory frameworks to meet policy objectives; and
- monitoring the programming and financial obligations of broadcasting undertakings to ensure compliance with regulations and conditions of licence.

Through its regulatory function, the Commission ensures that social and cultural issues are upheld by the regulated industries. For instance, the Commission fosters the reflection of Canada's linguistic duality and cultural diversity, the increased provision of closed captioning for persons who are hearing impaired and descriptive video for persons who are visually impaired, and the development of mechanisms to address concerns such as violence or abusive comment in the broadcast media. It also seeks to ensure that its policies keep pace with emerging technology and support such directions as increased competition in local telephone markets and broadcast distribution systems.

Total Financial Resources

Planned	Authorities	Actual
$45.6 million	$48.0 million	$47.6 million

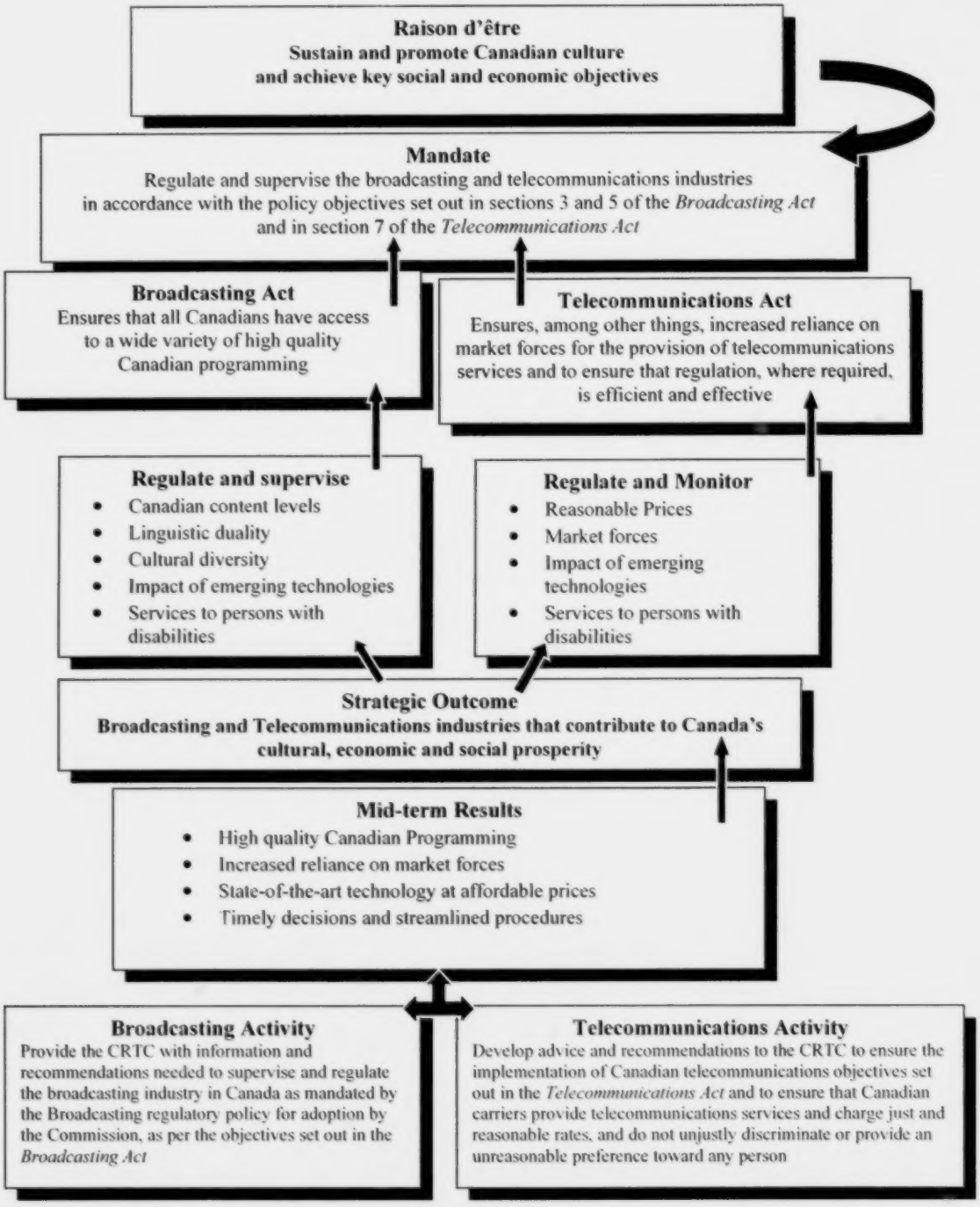
Total Human Resources

Planned	Actual	Difference
422 FTEs	409 FTEs	13 FTEs

Planned and Actual Spendings for the Strategic Outcome

Strategic Outcome	Activities	Planned Spending	Actual Spending	Expected Results
Broadcasting and telecommunications industries that contribute to Canada's cultural, economic and social prosperity	Broadcasting: Regulation and Supervision of the Canadian **Broadcasting** Industry	$23.4M	$23.7M	• Canadian content and programming that reflects Canadians • Healthy broadcasting and telecommunications industries • State-of-the-art technology at reasonable prices
	Telecommunications : Regulation and Monitoring of the Canadian **Telecommunications** Industry	$22.2M	$23.9M	
		$45.6M Total	$47.6M Total	

CRTC - Result Chain


Raison d'être
Sustain and promote Canadian culture
and achieve key social and economic objectives
Mandate
Regulate and supervise the broadcasting and telecommunications industries
in accordance with the policy objectives set out in sections 3 and 5 of the Broadcasting Act
and in section 7 of the Telecommunications Act
Broadcasting Act
Ensures that all Canadians have access
to a wide variety of high quality
Canadian programming
Telecommunications Act
Ensures, among other things, increased reliance on
market forces for the provision of telecommunications
services and to ensure that regulation, where required,
is efficient and effective
Regulate and supervise
Canadian content levels
Linguistic duality
Cultural diversity
Impact of emerging technologies
Services to persons with disabilities
Regulate and Monitor
Reasonable Prices
Market forces
Impact of emerging technologies
Services to persons with disabilities
Strategic Outcome
Broadcasting and Telecommunications industries that contribute to Canada's
cultural, economic and social prosperity
Mid-term Results
High quality Canadian Programming
Increased reliance on market forces
State-of-the-art technology at affordable prices
Timely decisions and streamlined procedures
Broadcasting Activity
Provide the CRTC with information and
recommendations needed to supervise and regulate
the broadcasting industry in Canada as mandated by
the Broadcasting regulatory policy for adoption by
the Commission, as per the objectives set out in the
Broadcasting Act
Telecommunications Activity
Develop advice and recommendations to the CRTC to ensure the
implementation of Canadian telecommunications objectives set
out in the Telecommunications Act and to ensure that Canadian
carriers provide telecommunications services and charge just and
reasonable rates, and do not unjustly discriminate or provide an
unreasonable preference toward any person

Status of Performance on CRTC's Priorities for 2006-2007

Element of Strategic Outcome	Priorities as per Reports on Plans and Priorities 2006-2007	Achievements/Results
Cultural Prosperity	▪ Canadian programming; The Commission intends to review the drama incentives set out in *Viewing and expenditure incentives for English language Canadian Television drama,* Broadcasting Public Notice CRTC 2006-11, 27 January 2006, on an annual basis and expects to evaluate the success of the program in the context of the licence renewals for major TV licensee scheduled for fiscal year 2008/2009	High quality Canadian programming - **Ongoing**
	▪ Linguistic duality & cultural diversity; Obligations pursuant to section 41 of the *Official Languages Act;* Three-year action plan and Accomplishment report, posted on the CRTC's website	Help foster the recognition and use of both English and French in Canada - **Ongoing** Ensure and support the development of linguistic minority communities. - **Ongoing**
	Canadian Association of Broadcasters's code establishing industry standards for the portrayal of ethnocultural and Aboriginal groups and persons with disabilities	Respect and reflect the 200 or more cultures, languages and ethnic traditions that today constitute Canadian Society and offer services to persons with disabilities - **Ongoing**
	▪ Review of Commercial Radio Policy; Review of certain aspects of the Regulatory Framework for over-the-air television; and Review of the regulatory framework for broadcasting distribution undertakings and discretionary programming services	Updated regulations and policies in view of reflecting industries' needs and new emerging technologies - **Ongoing**

Economic Prosperity	• Forbearance from Regulation – Local Telephone Service	Increased competition and choice for the Canadian consumer through the deregulation of local telephone service. - **Ongoing**
	• Wireless Substitution	Re-examination of whether mobile wireless services are in the same relevant market as wireline local exchange services - **Ongoing**
	• Wireless Number Portability	Allowed customers to keep their telephone numbers when switching between wireless service providers, or between wireless and wireline providers. This benefit to consumers will promote greater competition and freedom of choice of service provider. - **Completed**
	• Deferral Account	The expansion of broadband services to rural and remote communities will allow more Canadians to take advantage of the services, opportunities and benefits that the Internet has to offer. The initiative will also improve accessibility to telecommunications services for persons with disabilities. - **Ongoing**
	• Price Cap Framework	Price Cap Regime extended without changes for a period of one year. This extension will help provide certainty for the providers of telecommunication services. - **Ongoing**
	• Telecom Policy Review; Proposed Policy Direction	Revision of Policy and Regulatory Framework for telecommunications. Evolution of regulatory framework will ensure Canadians continue to have a telecommunications industry that delivers products and services at affordable prices for the economic and social benefit of all Canadians. - **Ongoing**
	• Reconsideration of VoIP - Order in Council P.C. 2006-305 for reconsideration of Telecom Decision CRTC-2005-28	This review of the regulatory framework provided clarity to the telecommunications industry and Canadians with regards to the characterization of emerging technologies as they apply to voice services. - **Completed**
	• Streamlining procedures	Telephone companies responding more quickly to customer needs in an increasingly competitive telecommunications marketplace through the establishment of service standards for the processing of tariff applications - **Ongoing**

Social Prosperity	• New technologies	Keeping abreast of emerging technologies will ensure Canadians that the Commission promotes competitive telecommunications and broadcasting industries that deliver leading edge products and services. - **Ongoing**
	• Telemarketing – National Do Not Call List	Established rules for National Do Not Call List which will enable Canadians to effectively reduce the number of telemarketing calls they receive, thereby, increasing their privacy and reducing undue inconvenience and nuisance caused by such calls. - **Ongoing**

Broadcasting and Telecom Accomplishments

The following highlights the CRTC's key accomplishments for 2006-2007 in regulating and supervising the Canadian broadcasting industry and in regulating and monitoring the telecommunication industry.

Major Proceedings

Cultural Prosperity

Cultural diversity and accessibility

To improve the representation and reflection of diversity in broadcasting, one of the Canadian Association of Broadcasters' (CAB) key initiatives has been a review of its broadcasting industry codes to determine whether they address the concerns identified in recent research findings regarding reflection and portrayal of visible minorities, Aboriginal peoples and persons with disabilities. In this regard, the CAB has submitted to the CRTC for its approval a proposed *Equitable Portrayal Code* to establish industry standards for the equitable portrayal of identifiable groups. The CRTC will review the proposed code in the Fall 2007, and further actions will be determined at that time.

As part of the review process for the commercial radio policy, the CAB submitted a set of cultural diversity best practices and an annual reporting strategy for all commercial radio broadcasters in order to improve the representation, portrayal and participation of visible minorities and Aboriginal peoples in radio. The CRTC directed the CAB to make a number of amendments to these best practices, including the incorporation of persons with disabilities, and to develop an appropriate annual reporting strategy for small commercial radio stations. Once the best practices are

approved by the CRTC, all commercial radio broadcasters will be expected to adhere to them. The annual reporting proposal is expected in June 2007. The Commission is expected to assess the CAB's revised best practices and its annual reporting proposal together in fall 2007.

To further encourage and expedite the entry of new Canadian third-language services in order to better serve Canada's ethnic, third-language communities, the CRTC issued an *Exemption order respecting certain third-language television undertakings*, Broadcasting Public Notice CRTC 2007-33, 30 March 2007.

To improve the accessibility of television programming for persons who are deaf or hard of hearing, the CRTC called for comments on the appropriateness of a requirement for the captioning of 100 percent of all television programming and on proposals to address ongoing concerns about captioning quality (see *Review of certain aspects of the regulatory framework for over-the-air television*, Broadcasting Notice of Public Hearing CRTC 2006-5, 12 June 2006). The CRTC intends to issue its determinations on these matters in the Fall 2007.

Programming standards

While many concerns of the public with respect to programming content standards are addressed by the Canadian Broadcast Standards Council, the broadcast industry's self-regulatory body, the CRTC remains responsible for matters pertaining to abusive comment (as set out in its various regulations) and the high standard provision (as set out in the *Broadcasting Act*). In 2006, the CRTC rendered five decisions concerning allegations of abusive comment in radio and television programming. In two of those cases, the CRTC found that its regulation prohibiting the broadcast of abusive comment was breached (Broadcasting Decisions CRTC 2006-565 and 2006-19). The CRTC also addressed concerns raised by viewers of television programming with respect to the high standard provision of the *Broadcasting Act* in two decisions (Broadcasting Decisions CRTC 2006-668 and 2006-603).

Distribution of non-Canadian, third-language services

In Public Notice 2004-96, issued 16 December 2004, the Commission adopted a new approach to the authorization of non-Canadian third-language services for distribution in Canada. This revised approach removed unnecessary barriers to the authorization of such services, and thereby put a greater emphasis on expanding the diversity and choice in television services available to underserved third-language ethnic communities in Canada. Applying this approach, in 2006-2007, the Commission authorized the distribution of over 35 non-Canadian third-language services in a variety of Asian and European languages.

Since 2001, the CRTC has been imposing conditions of licence that require Canadian broadcasters to provide a certain amount of programming with described video to enrich the television experience of persons who are blind or who have a visual impairment. In addition to reviewing the obligations of Canadian broadcasters at the time of their licence renewals, Commission staff is now exploring the extent to which broadcasting distribution undertakings are fulfilling their obligations to pass through the described video programming provided by broadcasters. This review is expected to be completed in the summer 2007, and further actions will be determined at that time.

New commercial radio policies

The CRTC conducted a proceeding, including a public hearing beginning on 15 May 2006, to review its commercial radio policies. On 15 December 2006, in *Commercial Radio Policy 2006*; *Revised policy concerning the issuance of calls for radio applications and a new process for applications to serve small markets*; and *Digital radio policy* (Broadcasting Public Notices CRTC 2006-158, 2006-159 and 2006-160, respectively), the CRTC announced the results of its comprehensive review and outlined measures designed to provide commercial radio stations with the flexibility needed to operate in an increasingly competitive environment for the delivery of audio programming.

The *Commercial Radio Policy 2006* sets out a new approach to Canadian content development (CCD). The new approach takes into account the unique circumstances of small stations, regardless of the size of their markets, through a basic contribution system based on a station's revenues that will automatically adjust for changes in the financial situation of the stations.

The new approach also provides stations with the flexibility to fund a variety of development initiatives tailored to their community and format: more than 600 commercial radio stations can now direct a portion of their required CCD spending to projects by independent parties involving Native radio and to programming serving the particular needs and interests of children, Aboriginal peoples, and persons with disabilities. Commercial ethnic broadcasters can now direct all of their CCD spending to independent initiatives that support their unique programming content.

Broadcasters will continue to make contributions to support FACTOR and MUSICACTION, which assist in the development of a variety of Canadian artists, including new and emerging artists.

In *Revised Policy concerning the issuance of calls for radio applications and a new process for applications to serve small markets*, the CRTC considers the challenging environment faced by broadcasters in smaller radio markets, where the population aged 12 years and above does not exceed 250,000. When the CRTC receives an application to serve a smaller market, Commission staff will assess this market's economic state to determine its ability to sustain a new radio station. Should its

preliminary analysis indicate that the market in question is unable to support a new radio station, the applicant will have the opportunity to either withdraw the application or submit additional information. This step will provide greater transparency and will help prevent overlicensing in smaller radio markets.

In *Digital radio policy*, the CRTC sets out its revised policy for digital broadcasting: in order to enhance the prospects of digital radio broadcasting (DRB) offered in the L-band, licensees will be free to develop whatever broadcast services they believe will be of greatest interest to the public.

The *Digital radio policy* also announces that the CRTC will convene a round table with chief executive officers of the major radio groups in six months time to discuss the industry's proposed plan and implementation schedules for DRB and related issues.

Initiatives undertaken for future reviews

Towards the end of the calendar year 2006, Commission staff held a series of informal consultations with industry and consumer representatives, with the aim of identifying issues and priorities for a review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services. In the first part of 2007, Commission staff undertook an assessment of those consultations and began developing recommendations to the Commission as to the scope of the proceeding and the issues to be addressed.

The review proceeding was subsequently announced in Broadcasting Notice of Public Hearing CRTC 2007-10, issued on 5 July 2007. In undertaking this process, the Commission seeks to develop forward-looking frameworks that will, among other things, ensure a strong Canadian presence in the broadcasting system and provide its licensees with the flexibility to react quickly and creatively to the opportunities and challenges arising out of the rapidly changing communications environment.

As part of this proceeding, the Commission will also finalize the framework for the distribution of high definition services by direct-to-home distribution undertakings, as previously announced.

The Commission anticipates placing on the record of the above-noted review proceeding the independent study being conducted by communications lawyers Laurence Dunbar and Christian Leblanc. Dunbar and Leblanc are examining each of the Commission rules and regulations in light of its original purpose. They will be making recommendations to the Commission as to whether that purpose has any continued relevance; whether the same purpose can be obtained by streamlined or less intrusive means or whether the rule or regulation should be altogether eliminated. The Commission has asked that parties to the review proceeding examine the study and comment in their submissions on the recommendations in it.

Local Deregulation (Forbearance)

On 6 April 2006, the CRTC issued *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15 (Decision 2006-15). This decision, among other things, established a framework for assessing applications from the incumbent local exchange carriers (ILECs) for deregulation from the regulation of local exchange services (local forbearance).

In *Proceeding to reassess certain aspects of the local forbearance framework established in Decision 2006-15*, Telecom Public Notice CRTC 2006-12, 1 September 2006 (Public Notice 2006-12), the CRTC invited comments regarding whether the 25 percent market share loss test set out in Decision 2006-15 continued to be appropriate. The CRTC also invited comments on whether mobile wireless services should be considered to be part of the same relevant market as wireline local exchange services for forbearance analysis purposes.

On 16 December 2006, the Governor in Council published, in the Canada Gazette, Part I, a proposed Order to vary part of Decision 2006-15 (the proposed Order) pursuant to subsection 12(1) of the *Telecommunications Act*. The proposed Order set out a revised framework to determine when local deregulation would be granted to the ILECs. The revised framework would, among other things, eliminate the CRTC's 25 percent market share loss test and replace it with a "competitive presence" test.

In light of the above, the CRTC deferred its consideration of the issues in the Public Notice 2006-12 proceeding pending a final determination with respect to the proposed Order.

Effective 4 April 2007, the Governor in Council issued an Order Varying Telecom Decision CRTC 2006-15, P.C. 2007-532.

Wireless Number Portability

During 2006, the industry continued its effort towards implementing wireless number portability, and the CRTC issued several decisions related to these efforts. On 18 May 2006, the CRTC released *Regulatory issues related to the implementation of wireless number portability – Follow-up to Public Notice 2006-3*, Telecom Decision CRTC 2006-28. This Decision provided directions on a number of regulatory issues related to such matters as the arrangements for the exchange of telephone calls between carriers, telephone number requirements, treatment of telephone numbers in shared numbering blocks that are used by more than one type of carrier and changes, if any, to other regulatory rules currently in place that could be impacted by wireless number portability.

Regulatory Framework for Northwestel

Price cap regulation generally places upward constraints on prices that an incumbent local exchange carrier can charge its customers for various telecommunications services. The price cap regime includes other rules which govern the rates charged to residential and business customers. Price cap regulation is used to constrain market power with respect to service rates and to ensure customer access to just and reasonable rates.

In *Price cap regulation for Northwestel Inc.*, Telecom Decision CRTC 2007-5, 2 February 2007, the CRTC, among other things, implemented a price cap regime for Northwestel for a period of four years. The CRTC determined that Northwestel would receive $18.9 million in annual funding from the National Contribution Fund for the initial price cap period in support of residential primary exchange services in high-cost serving areas and the ongoing costs associated with Northwestel's recently completed service improvement plan. In addition, the CRTC determined that resale of local exchange services would be permitted and that it would forbear from the regulation of Northwestel's long distance services.

Report prepared pursuant to Section 15 of the *Broadcasting Act*

On 12 June 2006, the CRTC issued *Call for comments on a request by the Governor in Council pursuant to section 15 of the* Broadcasting Act *to prepare a report examining the future environment facing the Canadian broadcasting system*, Broadcasting Public Notice CRTC 2006-72. The purpose of the call was to gather information from the public addressing the points set out in an Order in Council issued by the Government. This information was then used to report to the Governor in Council with respect to the future of broadcasting in Canada, as well as to incorporate into the CRTC's review of certain aspects of its regulatory framework for over-the-air television.

The CRTC received more than 50 submissions from individuals, consumer groups, broadcasters, distributors and industry associations. To further assist in the process, the CRTC commissioned three independent research studies and used in-house information that it acquires in preparing its annual *Broadcasting Policy Monitoring Report* as well as financial information filed by licensees through their annual returns.

Following its examination of the comments received, the CRTC issued a report on 14 December 2006 entitled *The future environment facing the Canadian broadcasting system*. This report highlights the evolution of audio-visual technologies and the profound impact this evolution is having on how Canadians communicate, express themselves and interact with various media, leading to important economic and social implications and a new communications and media environment.

In fulfilling its mandate under the *Broadcasting Act*, the CRTC is required on an ongoing basis to address regulatory issues associated with the introduction and impact of new audio-visual technologies. To do so, it will continue to expand both its general monitoring of the broadcasting system, and to monitor developments in the evolution, contribution and impact of new audio-visual technologies.

The CRTC is conducting reviews of its regulatory frameworks, starting with radio and television in 2006. In other reviews to follow in 2007-2008, the CRTC will continue to focus on the current and anticipated impact of technological change.

Voice over Internet Protocol (VoIP) Reconsideration

In Order in Council P.C. 2006-305, dated 4 May 2006, the Governor in Council, pursuant to subsections 12(1) and 12(5) of the *Telecommunications Act*, referred *Regulatory framework for voice communication services using Internet Protocol*, Telecom Decision CRTC 2005-28, 12 May 2005, as amended by Telecom Decision CRTC 2005-28-1, 30 June 2005 (Decision 2005-28) back to the CRTC for reconsideration. The CRTC was directed to complete its reconsideration of Decision 2005-28 within 120 days of the date of the Order in Council P.C. 2006-305.

In *Reconsideration of Regulatory framework for voice communication services using Internet Protocol*, Telecom Decision CRTC 2006-53, 1 September 2006 (Decision 2006-53), the CRTC reaffirmed the regulatory regime applicable to the provision of VoIP services, as set out in Decision 2005-28.

In Order in Council P.C. 2006-1314, dated 9 November 2006 (Order in Council 2006-1314), the Governor in Council, pursuant to subsection 12(7) of the *Telecommunications Act*, varied Decision 2005-28, as confirmed in Decision 2006-53, such that retail local access-independent VoIP services provided by incumbent local exchange carriers (ILECs) within their incumbent territories were forborne from regulation. The Order defined access-independent VoIP services as those services in which access and service may be provided by distinct providers – the service provider is not required to provide the underlying network on which the service rides and is not required to obtain the permission of the network provider to offer the service to customers on that network. The Order also noted that access-independent VoIP services require high-speed Internet access as well as special handsets, adapters or the use of a computer, and may be more susceptible to service deterioration or disruption.

In *Access-independent VoIP services pursuant to Order in Council P.C. 2006-1314*, Telecom Circular CRTC 2006-10, 16 November 2006, the CRTC noted that by virtue of Order in Council 2006-1314, the tariffs previously approved by the CRTC for the following services were no longer of any force or effect to the extent specified in the Order in Council P.C. 2006-1314:

- Bell Digital Voice Lite (Bell Canada General Tariff item 7020);

- Business IP Voice for Broadband (Bell Canada General Tariff item 7025); and
- WebCall (SaskTel General Tariff item 550.14).

Rate Ranges

In response to specific applications concerning local voice over Internet Protocol (VoIP) services, the CRTC approved tariffs introducing ranges of rates for a number of VoIP services being introduced by the major telephone companies. These rate ranges allowed these companies to change the rates for such services without obtaining prior approval from the CRTC, as long as the new rates are within the approved rate ranges. This has allowed the incumbent local exchange carrier (ILEC) to respond more quickly to changes in market conditions for these VoIP services.

In *Rate ranges for services other than voice over Internet protocol services*, Telecom Public Notice CRTC 2006-8, 9 June 2006 (Public Notice 2006-8), the CRTC initiated a proceeding in order to establish guidelines for dealing with applications requesting approval of rate ranges for regulated services other than local VoIP services.

In *Rate ranges for services other than voice over Internet Protocol services*, Telecom Decision CRTC 2006-75, 23 November 2006, the CRTC rendered its determinations in the proceeding initiated by Public Notice 2006-8. The CRTC determined, among other things, that rate ranges would generally be appropriate for most local exchange and related services and that it would not generally be appropriate to require the public disclosure of rate ranges.

Other Items of Interest:

Community Notification Services

In *Use of E9-1-1 information for the purpose of providing an enhanced community notification service*, Telecom Decision CRTC 2007-13, 28 February 2007, the CRTC determined that it was in the public interest to allow public authorities to use the telephone numbers and associated addresses contained in 9-1-1 databases, in order to improve the effectiveness of telephony-based emergency public alerting services, also known as community notification services. The use of enhanced 9-1-1 information for a telephone-based community notification service was subject to certain constraints including limitations to circumstances of use, appropriate safeguards, and notification requirements.

Consumer Bill of Rights

In *Statement of consumer rights*, Telecom Decision CRTC 2006-52, 29 August 2006 (as amended by *Amendment to the statement of consumer rights*, Telecom Decision

CRTC 2006-78, 21 December 2006), the CRTC established a statement of consumer rights for customers of incumbent local exchange carriers' (ILECs) local exchange services. The statement of consumer rights restated key consumer rights with respect to local home phone service in a clear and comprehensible manner. Major ILECs were directed to include this statement of consumer rights on their website and in their residential telephone directories.

Competitor Services

The CRTC issued a number of decisions relating to the terms, conditions, and final rates of key competitor services provided by incumbent telephone companies, as follows.

In *Follow-up to Trunking arrangements for the interchange of traffic and the point of interconnection between local exchange carriers, Telecom Decision CRTC 2004-46*, Telecom Decision CRTC 2006-35, 29 May 2006, the CRTC approved amended definitions of interconnection regions and associated rates for interconnection between the incumbent local exchange carrier and the competitive local exchange carrier. This decision included several enhancements to the interconnection regime for competitive local exchange carriers thereby permitting greater efficiency in the local carriers' networks.

In *Aliant Telecom, Bell Canada, MTS Allstream, SaskTel and TCI – Approval of rates on a final basis for Access Tandem service*, Telecom Decision CRTC 2006-22, 27 April 2006 and *Aliant Telecom, Bell Canada, MTS Allstream, SaskTel and TCI – Approval of rates on a final basis for Direct Connection service*, Telecom Decision CRTC 2006-23, 27 April 2006, the CRTC approved revised final rates for each ILEC's Access Tandem (AT) and Direct Connection (DC) services. The DC and AT services are interconnection services that toll service providers typically require to provide service to their customers. In *Bell Canada and TCC - Co-location power service rates*, Telecom Decision CRTC 2006-42, 30 June 2006, as amended by Telecom Decision CRTC 2006-42-1, 25 August 2006, the CRTC also approved revised final rates for co-location power services. Subsequently, in *Bell Aliant Regional Communications, Limited Partnership, MTS Allstream Inc., and Saskatchewan Telecommunications – Co-location power service rates*, Telecom Decision CRTC 2007-17, 21 March 2007, the CRTC further approved revised final rates for Bell Aliant's, MTS Allstream's and SaskTel's co-location power services. The co-location power service is used by a competitor that co-locates in an ILEC's central office. Under these decisions, the rates for these services were generally reduced, reflecting reductions to the ILECs' costs to provision these services.

In *Cogeco, Rogers, Shaw, and Videotron - Third-party Internet access service rates*, Telecom Decision CRTC 2006-77, 21 December 2006, the CRTC approved revised terms, conditions, and final rates for third-party Internet access (TPIA) service using cable networks.

In early 2007,[1] the CRTC approved revised terms, conditions, and final rates for the ILECs' competitor asymmetric digital subscriber line (ADSL) Access services. The TPIA or ADSL access services permit Internet service providers to compete in the retail high-speed Internet market. In finalizing these tariffs, the CRTC recognized the need for comparable competitor high-speed access services and tariffs across incumbent cable and telephone companies.

In *Ethernet services*, Telecom Order CRTC 2007-20, 25 January 2007, the CRTC approved revised terms and final rates for the ILECs' Ethernet access, CO link and transport services. The Ethernet services have several advantages over previous data transmission services and permit competitive service providers to deliver new services and applications using Ethernet protocol. In finalizing these tariffs, the CRTC considered the importance of providing comparable competitor Ethernet services across ILECs' serving territories.

Review of regulatory framework for wholesale services and definition of essential service

In *Review of regulatory framework for wholesale services and definition of essential service*, Telecom Public Notice CRTC 2006-14, 9 November 2006, the Commission initiated a proceeding to consider a revised definition of essential service, as well as the classifications and pricing principles for essential and non-essential services made available by incumbent telephone companies, cable carriers and competitive local exchange carriers to other competitors at regulated rates (wholesale services). The process includes evidence, interrogatories, and an oral hearing to be held in October 2007. The decision is expected to be published by mid April 2008

Review of certain Phase II costing issues

In *Review of certain Phase II costing issues*, Telecom Public Notice CRTC 2007-4, 30 March 2007, the CRTC has initiated a review of certain Phase II costing issues with respect to major telecommunications and cable companies. Issues to be considered in this proceeding include the appropriate expense inclusions and the update of equipment life estimates to be used in regulatory economic studies. The process includes submission of evidence by all parties followed by two rounds of interrogatories, comments and reply comments. The decision is expected to be announced by mid February 2008.

[1] On 25 January 2007, the CRTC issued Telecom Order CRTC 2007-21, Telecom Order CRTC 2007-22, Telecom Order CRTC 2007-23, Telecom Order CRTC 2007-24, and Telecom Order CRTC 2007-25.

Emergency alert services

At a public hearing beginning 15 May 2006, the CRTC considered three applications to establish emergency alert services in Canada. Following its deliberations on the proposals, the CRTC set out its approach in *Emergency alert services*, Broadcasting Public Notice CRTC 2007-20, 28 February 2007, and issued three related decisions (Broadcasting Decisions *Pelmorex emergency alert service*, CRTC 2007-72, *CBC emergency alert service*, CRTC 2007-73 and *ExpressVu emergency alert service*, CRTC 2007-74).

The CRTC considered that a voluntary approach is the best option for the establishment of a Canadian emergency alert system. To remove regulatory barriers to the timely implementation of an emergency alert service by all industry stakeholders, the CRTC issued proposed amendments to the *Broadcasting Distribution Regulations* on the same day.

The CRTC further addressed emergency alerting in *Use of E9-1-1 information for the purpose of providing an enhanced community notification service*, Telecom Decision CRTC 2007-13, also issued on 28 February 2007. A summary of that decision is found in a previous section entitled "Community Notification Services".

Streamlining Procedures

Streamlined broadcasting processes

In *Streamlined processes for certain broadcasting applications*, Broadcasting Circular CRTC 2006-1, 27 March 2006 (Circular 2006-1), the CRTC announced an expedited process whereby it would inform applicants of the status of their licence amendment applications within 15 business days of receiving an application. The CRTC estimated that, in the absence of any significant or unresolved issues or concerns surrounding the applications in question, the processing time could be reduced by approximately half for licence amendment applications processed administratively and by a written public proceeding.

In the first year of implementation, the CRTC has reduced the average time to deal with amendment applications by 50 percent over last year's results.

In Circular 2006-1, the CRTC announced other areas under review. It has since concluded streamlining review processes in the following areas: processing of requests to add non-Canadian third-language services to the Lists of Eligible Satellite Services; exempting certain network operations from licensing requirements; reviewing broadcasting application forms; and reviewing the policy concerning the issuance of radio calls for applications. In addition, the CRTC set

out measures to streamline certain reporting requirements for Class 1 cable distribution undertakings having 20,000 or more subscribers and for television licensees. As noted above, on 30 March 2007, the CRTC issued *Exemption order respecting certain third-language television undertakings*, Broadcasting Public Notice CRTC 2007-33, which exempts such undertakings from licensing requirements.

The CRTC has also undertaken an exhaustive review of the process for applications that involve an oral public hearing. Significant measures have been identified to streamline and expedite this review process. Measures for certain types of applications, dealt with by an oral public hearing, will be announced early in fiscal year 2007-2008.

Alternative Dispute Resolution

The Broadcasting Alternative Dispute Resolution Team handles broadcasting matters that generally fall into three categories: (1) disputes between broadcasting distributors and the programming services that they distribute over the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and the end-user; and (3) disputes between programmers regarding programming rights and markets served.

During the period 1 April 2006 to 31 March 2007, five new files were received. With four outstanding files from the previous year, five files were concluded over this period, leaving four files outstanding, one of which has been suspended for some time. The other three cases date from September 2006 or more recently.

In addition during this period, 14 informal files were received. Informal files generally do not involve a formal written process. In the last fiscal period, seven files were closed, two remain suspended and five are active as of 31 March 2007.

Streamlined Telecommunication Processes

In 2005 the CRTC began an aggressive program of streamlining our processes and procedures. In response to stakeholders' comments received, the CRTC issued *Introduction of a streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-6, 25 April 2005, and *Finalization of the streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-9, 1 November 2005 (Circular 2005-9).

Further, in *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005 (Circular 2005-7), the CRTC set out new procedures and service standards to reduce the time period associated with the processing of these types of applications, and to provide the ILECs with greater regulatory

certainty by identifying clear steps, timelines and criteria that could be consistently relied on by both customers and telecommunications carriers.

In *Service standards for the disposition of telecommunications applications*, Telecom Circular CRTC 2006-11, 7 December 2006 (Circular 2006-11), the CRTC re-introduced service standards for all telecommunications applications including all tariff applications, inter-carrier agreements, international telecommunications services licences, and applications received pursuant to Part VII of the *CRTC Telecommunications Rules of Procedure* (Part VII applications).

In Circular 2006-11, the CRTC undertook to evaluate the service standard results for all types of telecommunications applications on an annual basis and to post these results on the CRTC's website, following the 31 March fiscal year-end. The CRTC expected to post results for retail tariff streamlined processing and for all tariff applications and inter-carrier agreements on a quarterly basis for information purposes. The CRTC indicated that it would begin measuring the service standards starting on 1 April 2007.

These streamlining initiatives have begun to bear fruit as evidenced by our performance during the 2006/2007 fiscal year.

Alternative Dispute Resolution

The CRTC remained committed to the resolution of competitive telecom disputes through alternative dispute resolution in 2006/2007. The CRTC has also strongly encouraged parties to pursue independent negotiations to resolve any competitive dispute. In instances where the parties could not settle a dispute by mutual agreement, the CRTC has successfully used a number of resolution mechanisms to settle a number of competitive disputes. Specifically, twenty-two of twenty-four files have been resolved using one or a mix of the dispute resolution mechanisms identified by the CRTC in its dispute resolution framework.

New Technologies:

Framework for mobile television broadcasting services

In *Regulatory framework for mobile television broadcasting services*, Broadcasting Public Notice CRTC 2006-47, 12 April 2006, the Commission announced its determination that certain mobile television broadcasting services provided via cellular telephones by Bell Mobility Inc., TELUS Mobility and Rogers Wireless Inc. were "delivered and accessed over the Internet" and thus fell under the Commission's New Media Exemption Order. As a result, these services are not subject to licensing and other regulatory measures under the *Broadcasting Act*. In Public Notice 2006-47, the Commission noted arguments put forth by parties that mobile broadcasting services, as described in the proceeding, are unlikely to compete significantly with traditional broadcasting services due to the limitations of the wireless technology used, the battery life and screen size of the handset, the poor image and audio quality, and the type and range of programming choices offered by the mobile broadcasters.

The Commission also initiated a further proceeding on a proposed new exemption order that would include mobile television broadcasting undertakings that provide mobile television services that are not delivered and accessed over the Internet. That proceeding resulted in *Exemption order for mobile television broadcasting undertakings*, Public Notice CRTC 2007-13, 7 February 2007, in which the Commission exempted from licensing requirements and associated regulations those mobile television broadcasting undertakings that provide mobile television services that are received by way of mobile devices and that make use of point-to-point technology.

Digital and high definition broadcasting

On 15 June 2006, the Commission issued Broadcasting Public Notice CRTC 2006-74, setting out its Regulatory Framework for the licensing and distribution of high definition pay and specialty services. Public Notice 2006-74 was the latest in a series of policy determinations intended to guide the broadcasting industry in its transition from analog to digital technology and ultimately, with respect to television services, to high definition.

BDU distribution of satellite radio

In 2006, the Commission approved applications by several broadcasting distribution undertakings (BDUs) to distribute the audio programming service of one or more licensed satellite subscription radio (SSR) undertakings on a digital basis, subject to

specific conditions of licence intended to place SSR services on a relatively equal competitive footing with pay audio services in respect of BDU distribution and to offer some incentive to distributors to continue to distribute pay audio services, as well as the SSR services. In this way, both subscribers and the Canadian broadcasting system will benefit from a greater diversity in audio services. At the same time, the use of Canadian creative and other resources in the provision of audio programming on BDUs is maximized.

SECTION III:
Supplementary Information

CRTC Organization Chart

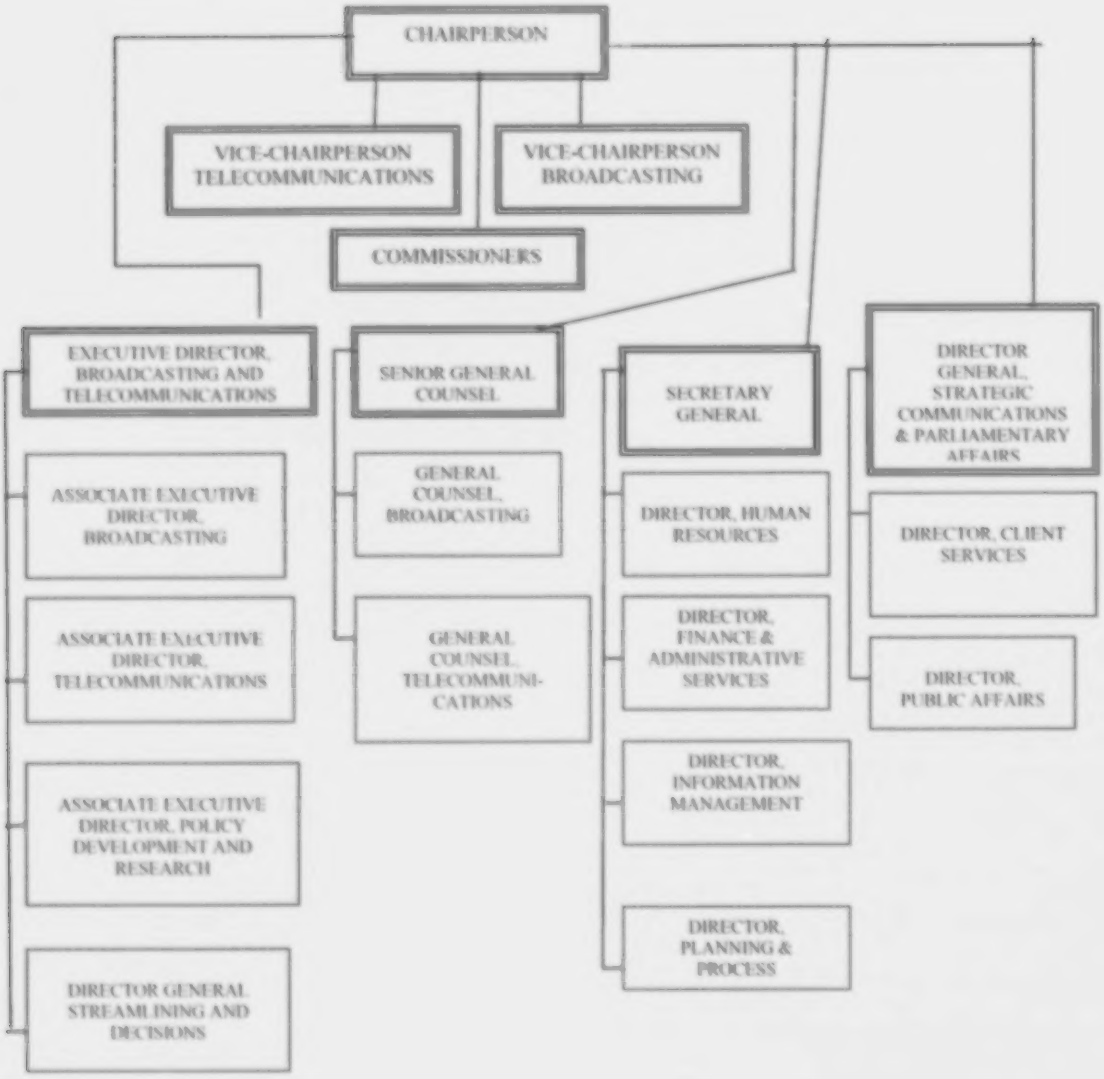


Table 1: Comparison of Planned to Actual Spending

($ millions)	2004-2005 Actual	2005-2006 Actual	2006-2007 Main Estimates	2006-2007 Planned Spending	2006-2007 Total Authorities	2006-2007 Actual
Regulation of Communications in the Public Interest	44.0	46.5	45.6	45.6	48.0	47.6
Less: Respendable Revenue (note 1 & 2)	37.6	38.6	39.8	39.8	39.9	39.9
Net Expenditures	6.4	7.9	5.8	5.8	8.1	7.7
Adjustments: Supplementary Estimate: Operating Budget Carry Forward				1.9		
Total Net Expenditures	6.4	7.9	5.8	7.7	8.1	7.7
Less: Non-Respendable revenue (note 2)	118.1	123.1	-	135.5	135.9	135.9
Plus: Cost of services received without charge (note 3)	15.5	15.5	-	15.9	15.2	15.2
Net cost (note 4)	(96.2)	(99.7)	5.8	(111.9)	(112.6)	(113)
Full-Time Equivalents (note 5)	401	396	-	422	-	409

Note 1 The CRTC has vote-netting authority. Vote-netting is a means of funding selected government programs or activities whereby Parliament authorizes a department or agency to apply revenues towards costs directly incurred for specific activities. The Part I broadcasting licence fees and the telecommunications fees are used to finance the Commission's operating budget.

Note 2 For more information on CRTC revenues refer to the section entitled "Explanation of Revenue".

Note 3 The costs of services provided by other departments (Table 4) includes: the regulation of the broadcasting Spectrum by Industry Canada; the accommodation provided by Public Works and Government Services Canada; the employer's share of employees' insurance premium and expenditures paid by Treasury Board Secretariat.

Note 4 Brackets indicate that the revenue received exceeds the gross costs of program

Note 5 Full time equivalents (FTEs) reflect the human resources that the CRTC uses to deliver its program and services. The number is based on a calculation that considers full-time, part-time, term and casual employment. The CRTC is no longer required to control the number of FTEs it may use. Rather, CRTC manages a personnel budget within its operating expenditures and has the latitude to manage as needed. This data is included for information purposes only.

Table 2: Resources by Program Activity

($ millions)	2006–2007					
	Budgetary				Plus: Non-budgetary	
Program Activity	Operating	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Invest. & Advances	**Total**
Regulation & supervision of the Canadian broadcasting industry						
Main Estimates	23.4	23.4	20.4	3.0	-	3.0
Planned Spending	23.4	23.4	20.4	3.0	-	3.0
Total Authorities	24.4	24.4	20.5	3.9	-	3.9
Actual Spending	23.7	23.7	20.5	3.2	-	3.2
Regulation & monitoring of the Canadian telecommunications industry						
Main Estimates	22.2	22.2	19.4	2.8	-	2.8
Planned Spending	22.2	22.2	19.4	2.8	-	2.8
Total Authorities	23.6	23.6	19.4	4.2	-	4.2
Actual Spending	23.9	23.9	19.4	4.5	-	4.5

Table 3: Voted and Statutory Items

This table provides information regarding that portion of the Commission's budget that is funded through appropriations.

($ millions)		2006-2007			
Vote or Statutory Item	Canadian Radio-television and Telecommunications Commission	**Main Estimates**	**Planned Spending**	**Total Authorities**	**Actual**
45	Program expenditures	-	1.9	2.7	2.3
(S)	Contributions to employee benefit plans	5.8	5.8	5.4	5.4
	Total	5.8	7.7	8.1	7.7

Table 4: Services Received Without Charge

($ millions)	2006–2007 Actual Spending
Accommodation provided by Public Works and Government Services Canada	2.7
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS	2.5
Worker's compensation coverage provided by Human Resources and Social Development Canada (actual amount is $43K)	-
Regulation of Broadcasting Spectrum - Industry Canada	10.0
Total 2006–2007 Services received without charge	15.2

Table 5: Sources of Respendable and Non-Respendable Revenue

($ millions)	Actual 2004-2005	Actual 2005-2006	2006-2007			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Respendable Revenue (note 1)						
Regulation of Communications in the Public Interest						
Broadcasting Licence Fees Part I	19.8	20.0	20.4	20.4	20.5	20.5
Telecommunications Fees	17.8	18.6	19.4	19.4	19.4	19.4
Total Respendable Revenue	37.6	38.6	39.8	39.8	39.9	39.9
Non-Respendable Revenue (note 2)						
Broadcasting Licence Fees						
Part I	6.0	5.1	-	6.5	6.5	6.5
Part II	107.2	112.2	-	121.8	121.9	121.9
Telecommunications Fees	4.9	5.5	-	7.2	7.2	7.2
Other Revenue: (note 3)	-	0.3	-	-	0.3	0.3
Total Non-Respendable Revenue	118.1	123.1	-	135.5	135.9	135.9
Total Revenue (note 4)	155.7	161.7	39.8	175.3	175.8	175.8

Note 1 The CRTC retains respendable revenue to fund its operating budget (i.e. vote-netted revenue).

Note 2 Non-respendable revenue for Part I broadcasting licence fees and CRTC telecommunications fees recover the costs incurred by other federal government departments for services (excluding Industry Canada spectrum management) rendered without charge to the CRTC as well as the statutory costs of employee benefit plans. Part II broadcasting fees are also considered to be non-respendable revenue.

Note 3 Other revenue is comprised of adjustment to prior years payables and miscellaneous revenue such as interest on outstanding fees.

Note 4 All revenues are credited to the Consolidated Revenue Fund.

Explanation of Revenue

The CRTC collects fees under the authority of the *Broadcasting Act* and *Telecommunications Act* and the regulations made pursuant to these Acts, namely the *Broadcasting Licence Fee Regulations, 1997* and the *Telecommunications Fee Regulations, 1995*. For fiscal year 2006-2007:

- ✓ The Part I broadcasting licence fees total $27.0 million which include a $.2 million annual adjustment for the year 2004-2005. The $27.0 million is made up of $20.5 million respendable and $6.5 million non-respendable revenues.

- ✓ Part II broadcasting licence fees total $121.9 million (non-respendable).

- ✓ Telecommunications fees total $26.6 million which include a $1.2 million annual adjustment for the year 2005-06. The $26.6 million is made up of $19.4 million respendable and $7.2 million non-respendable revenues.

Broadcasting Licence Fees

Section 11 of the *Broadcasting Act* empowers the Commission to make regulations respecting licence fees. These regulations apply to all licensees other than those classes of undertakings specifically exempted under section 2 of the fee regulations. Every licensee subject to the regulations is required to pay a Part I and a Part II licence fee to the Commission annually. For 2006-2007 the CRTC collected a total of $148.9 million from broadcasting undertakings ($27.0 million in Part I fees and $121.9 million in Part II fees).

The Part I fee is based on the broadcasting regulatory costs incurred each year by the Commission and other federal departments or agencies, excluding Industry Canada spectrum management costs (which are recovered as a component of Part II licence fees) and is equal to the aggregate of:

- ✓ the costs of the Commission's broadcasting activity;
- ✓ the share of the costs of the Commission's administrative activities that is attributable to its broadcasting activity; and
- ✓ the other costs included in the net cost of the Commission's program attributable to its broadcasting activities, excluding the costs of regulating the broadcasting spectrum.

The estimated total broadcasting regulatory costs of the Commission are set out in the Commission's Expenditure Plan published in Part III of the Estimates of the Government of Canada (i.e. Part III Report on Plans and Priorities). There is an annual adjustment amount to the Part I fee to adjust estimated costs to actual expenditures. Any excess fees or shortfalls are credited or charged to the licensee in a following year's invoice.

The Part II fee is calculated at 1.365% of a licensee's gross revenue derived from broadcasting activities in excess of an applicable exemption limit. The CRTC collects the

Part II fees on behalf of the government, with all revenues collected being deposited to the Government of Canada's Consolidated Revenue Fund (CRF). The rationale for assessing the Part II licence fee is three-fold:

- ✓ to earn a fair return for the Canadian public for access to, or exploitation of, a publicly owned or controlled resource (i.e. broadcasters use of the broadcasting spectrum);
- ✓ to recover Industry Canada costs associated with the management of the broadcasting spectrum; and
- ✓ to represent the privilege of holding a broadcasting licence for commercial benefit.

Part II Fee and Legal Proceeding

Several legal proceedings have been filed in the Federal Court of Canada by broadcasters[2] challenging the legality of the Part II Licence Fee. These claims also seek the return of fees paid pursuant to section 11 of the *Broadcasting Licence Fee Regulations, 1997* (the Regulations) from 1998 to 2006, plus interest and costs.

On December 14, 2006, a decision was rendered by the Federal Court declaring that

- Part II Licence Fees prescribed by section 11 of the Regulations are a tax;
- Section 11 of the Regulations is *ultra vires* the authority conferred on the CRTC by Section 11 of the *Broadcasting Act* to establish a schedule of fees; and
- The Plaintiffs are not entitled to the return of monies paid pursuant to section 11 of the Regulations for the years described in the Plaintiffs' pleading.

Fees prescribed by Section 11 of the Regulations were suspended for a maximum of nine (9) months to allow the appropriate branch of the government to react and to put in effect this judgement.

In January 2007, the plaintiffs filed Notices of Appeal regarding the portion of the decision of the Federal Court refusing the request for repayment of Part II licence fees, and the Crown filed Notices of Cross-Appeal regarding the issue of fee versus tax.

Telecommunications Fees

Section 68 of the *Telecommunications Act* sets out the authority for collecting telecommunications fees from carriers that the Commission regulates. Each company that files tariffs must pay fees based on its operating revenue, as a percentage of the revenue of all the carriers that file tariffs. For 2006-2007, the CRTC collected $26.6 million in telecommunications fees.

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2 The fee paying members of the Canadian Association of Broadcasters ("CAB") and 14 Corporate Plaintiffs, and Vidéotron Ltee, Vidéotron (Regional) Ltee, and CF Cable TV inc.

The annual fees the CRTC collects is equal to the aggregate of:

- ✓ the cost of the Commission's telecommunications activity;
- ✓ the share of the costs of the administrative activities that is attributable to its telecommunications activity; and
- ✓ the other costs included in the net cost of the Commission's program attributable to its telecommunications activity.

The estimated total telecommunications regulatory costs of the Commission are set out in the Commission's Expenditure Plan published in Part III of the Estimates of the Government of Canada (i.e., Part III Report on Plans and Priorities). There is an annual adjustment amount to the telecommunications fees to adjust estimated costs to actual expenditures. Any excess fees or shortfalls are credited or charged to the carriers in a following year's invoice.

Dispute Resolution – Fee Assessment

The CRTC's dispute resolution process regarding the assessment of broadcasting licence fees and telecommunications fees is summarized as follows:

- The first point of contact for fee payers concerning issues related to fee assessment or collection is the Commission's Assistant Director, Financial Operations and Licence Fee Processing followed by the Director Finance and Administrative Services. Fee payers may raise their concerns either by telephone conversation, e-mail or letter. To date the CRTC notes that the majority of fee payers concerns have been resolved at the staff level.
- Where an issue cannot be satisfactorily resolved at the staff level, fee payers are requested to document the nature of their concern in writing and submit it to the CRTC's Secretary General for formal consideration. Responses to all such letters would be provided by CRTC.

User Fees

The only fee that the CRTC currently collects which is subject to the reporting requirements of the *User Fees Act* relates to the processing of access requests filed under the *Access to Information Act*.

Table 6: 2006-2007 User Fee – User Fees Act

Name of Fee	*Fee Type*	*Fee Setting Authority*	*Date Last Modified*	2006-2007		Planning Years		
				Actual Revenue ($000)	*Full Cost ($000)*	*Fiscal Year*	*Forecast Revenue ($000)*	*Estimated Full Cost ($000)*
Access to Information Fees	Other Products and Services (O)	Access to Information Act	1992	Note 1	$0.1M	2007-2008 2008-2009 2009-2010	Note 1 Note 1 Note 1	$0.1M $0.1M $0.1M
Performance Standards	Requests are completed as per the standards indicated in the Access to Information Act. Section 7 of the Act states that access to a record requested under this Act shall, subject to sections 8, 9 and 11 be made available within thirty (30) days after the request is received							
Performance Results	During FY 2006-2007, 34 requests out of 36 were completed: 19 were completed within 30 days, 5 within 31 to 60 days and 10 within 61 to 120 days. Two requests are still pending at the end of FY 2006-2007							

Note 1 The Access to Information revenue is negligible: $199.60 received in FY 2006-2007. The CRTC forecasts that the revenue associated with these fees and the full cost in future years will approximate those amounts reported for 2006-2007.

CRTC External Fees and Policy on Service Standard for External Fees

CRTC assesses fees pursuant to the *Broadcasting Licence Fee Regulations 1997*, and the *Telecommunications Fee Regulations 1995*. The CRTC has received a legal opinion indicating that the Part I broadcasting licence fees and telecommunications fees are considered to be external "regulatory fees" and not "user fees" as defined in the *User Fees Act*. Thus these fees, and the external reporting of any information related to these fees, are not subject to the provisions of the *User Fees Act (UFA)*, but rather the Treasury Board *Policy on Service Standards for External Fees*. In order to be as comprehensive and transparent as possible with respect to CRTC external fees, information on broadcasting and telecommunications fees is being presented in the following table.

Table 7A: CRTC External Fees

Name of Fee	*Fee Type*	*Fee Setting Authority*	*Date Last Modified*	2006-2007		Planning Years		
				Actual Revenue ($000)	*Full Cost ($000)*	*Fiscal Year*	*Forecast Revenue ($000)*	*Estimated Full Cost ($000)*
Broadcasting Licence Fees		Broadcasting Act (Section 11)						
Part I	Regulatory (R)	Broadcasting Licence Fee Regulations 1997	1997	$27.0M	$27.0M	2007-2008 2008-2009 2009-2010	$28.0M $26.6M $26.6M	$28.0M $26.6M $26.6M
Part II (notes 1 & 2)	Right & Privilege			$121.9M	$10.0M	2007-2008 2008-2009 2009-2010	$- $- $-	$10.0M $10.0M $10.0M
Telecommunications Fees	Regulatory (R)	Telecommunications Act (Section 68)						
		Telecommunications Fee Regulations 1995	1995	$26.6M	$26.6M	2007-2008 2008-2009 2009-2010	$26.5M $25.4M $25.4M	$26.5M $25.4M $25.4M
				$175.5M	$63.6M	2007-2008 2008-2009 2009-2010	$54.5M $52.0M $52.0M	$64.5M $62.0M $62.0M

Note 1 The rationale for assessing Part II fee is three-fold:

- To earn a fair return for the Canadian public for access to, or exploitation of, a publicly owned or controlled resource (i.e. broadcaster's use of the broadcasting spectrum);
- To recover Industry Canada costs associated with the management of the broadcasting spectrum (i.e. approximately $10 M per year); and
- To represent the privilege of holding a broadcasting licence for commercial benefit.

Note 2 No revenues for Part II licence fees have been forecasted for these years. As indicated in a previous section entitled Part II Licence Fee and Legal Proceeding, a decision rendered by the Federal Court has declared the Section 11 of the Regulations *ultra vires* the authority conferred on the CRTC by Section11 of the *Broadcasting Act* to establish a schedule of fees. The amounts reflected in the estimated full cost column pertain to Industry Canada costs associated with broadcasting spectrum management.

Table 7B: Policy on Service Standards for External Fees

Service Standards

Broadcasting – Part I Licence Fees

Broadcasting Services	Service Standards	Stakeholders	Method of annual consultation
1. Administrative Route	**Applications that do not require a public process, including transfer of ownership** 80% in 2 months 90% in 3 months	1. Broadcasting Industry[3] 2. Canadian public	Public notice process (Note)
2. Public Notice Route (excluding licence renewals)	**Applications that do not give rise to opposing interventions or policy issues** 80% in 6 months 90% in 8 months **Applications that give rise to opposing interventions, but do not raise policy issues** 80% in 8 months 90% in 10 months **Applications that raise policy issues** The Commission will advise the applicant that its application raises policy issues within 30 days of this policy issue being identified by the Commission.		
3. Licence renewals by public notice route	**Applications that do not raise policy issues** 80% in 8 months 90% in 10 months		

Note: In *Call for comments on the Commission's service standards*, Broadcasting Public Notice CRTC 2006-16, 10 February 2006, the Commission proposed service standards for the issuance of decisions on broadcasting applications in a timely manner and according to a predictable schedule.

As set out in *Introduction of service standards for certain broadcasting applications*, Broadcasting Circular CRTC 2006-2 (Circular 2006-2), 5 April 2006, the comments

[3] The definition of "broadcasting undertaking" includes any distribution or programming undertaking and network operation to which the *Broadcasting Act* applies.

received from the broadcasting industry supported the Commission's commitment to ensure that decisions on broadcasting applications are issued in a timely fashion. According to the parties, improved efficiency and accountability in the Commission's licensing activities would provide for greater certainty in a rapidly changing industry. Certain parties called for even more stringent service standards than those proposed and suggested that additional measures should be put in place by the Commission to streamline its procedures.

In Circular 2006-2, the Commission introduced new service standards for its processing of certain types of applications filed after 31 March 2006. These include applications for licence amendments and licence renewals currently processed using the public notice approach, as well as applications processed using the administrative approach that does not entail a public process.

Quarterly report on streamlined processes for broadcasting amendment applications
1 April 2006 to 31 March 2007

The streamlining processes below are monitored pursuant to *Streamlined processes for certain broadcasting applications*, Broadcasting Circular CRTC 2006-1.

STREAMLINED PROCESSES - APPLICATIONS RECEIVED

Processing routes/ Measurable indicators	**Q1**	**Q2**	**Q3**	**Q4**	**Year to date**
1. Administrative route					
Received	42	25	53	38	158
Returned (d)	6	7	6	4	23
Total to be processed	**36**	**18**	**47**	34	**135**
Incomplete at reception	**10**	**6**	**35**	**25**	**76**
Indicator Letter of clarification sent within 15 business days (c)	8 of 10 (80%)	5 of 6 (83%)	31 of 35 (89%)	21 of 25 (84%)	65 of 76 (86%)
Complete at reception	**26**	**12**	**12**	**9**	**59**
Indicator Letter of Approval issued within 15 business days (b)	17 of 26 (65%)	10 of 12 (83%)	10 of 12 (83%)	8 of 9 (89%)	45 of 59 (76%)
2. Public notice route (excluding renewals/do not give rise to policy issues)					
Received	53	35	39	40	167
Returned (d)	5	2	7	8	22
Total to be processed	**48**	**33**	**32**	**32**	**145**
Incomplete at reception	**37**	**21**	**26**	**22**	**106**
Indicator Letter of clarification sent within 15 business days (c)	36 of 37 (97%)	20 of 21 (95%)	23 of 26 (88%)	20 of 22 (91%)	99 of 106 (93%)
Complete at reception	**11**	**12**	**6**	**10**	**39**
Indicator Public Notice issued within 15 business days (a)	11 of 11 (100%)	8 of 12 (67%)	5 of 6 (83%)	9 of 10 (90%)	33 of 39 (85%)

Only applications received after 31 March 2006 are considered in these reports.

Indicators: Under Broadcasting Circular CRTC 2006-1, the objective is to ensure that within 15 business days of receiving an application as described, the Commission will issue one of the following:
(a) a public notice announcing the application;
(b) a letter approving the application;
(c) a letter requesting clarification; or
(d) a letter returning an application that is deemed incomplete.

Quarterly report on service standards for processing broadcasting amendment and licence renewal applications
1 April 2006 to 31 March 2007

The service standards below are monitored pursuant to *Introduction of service standards for certain broadcasting applications*, Broadcasting Circular CRTC 2006-2.

SERVICE STANDARDS – APPLICATIONS DECIDED

Processing routes/ Service standards	**Q1**	**Q2**	**Q3**	**Q4**	**Year to date**
1. Administrative route					
Decided	27	24	44	25	120
Service standards					
80% in 2 months	100%	83%	100%	92%	94%
90% in 3 months	100%	100%	100%	100%	100%
2. Public notice route (excluding renewals/do not give rise to policy issues)					
Decided (Without opposing interventions)	**0**	**21**	**20**	**29**	**70**
Service standards					
80% in 6 months	N/A	100%	90%	97%	96%
90% in 8 months	N/A	100%	100%	100%	100%
Decided (With opposing interventions)	**1**	**9**	**21**	**10**	**41**
Service standards					
80% in 8 months	100%	100%	100%	100%	100%
90% in 10 months	100%	100%	100%	100%	100%
3. Licence renewals by public notice route					
Decided	**0**	**0**	**0**	**0**	**0**
Service standards					
80% in 8 months	N/A	N/A	N/A	N/A	N/A
90% in 10 months	N/A	N/A	N/A	N/A	N/A

Only applications received after 31 March 2006 are considered in this report.
Q1 = 1 April 2006 to 30 June 2006
Q2 = 1 July 2006 to 30 September 2006
Q3 = 1 October 2006 to 31 December 2006
Q4 = 1 January 2007 to 31 March 2007

Service Standards: Under Broadcasting Circular CRTC 2006-2, the Commission has set service standards for the processing of these applications as described in the table above.

Quarterly report on service standards for processing telecommunications retail tariff applications 1 April 2006 to 31 March 2007

Service Standards 1 and 2 below are monitored pursuant to *Introduction of a streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-6 and confirmed in *Finalization of the streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-9, while Service Standard 3 is monitored pursuant to the *Telecommunications Act*.

Service Standards	Measurable indicators	Q1	Q2	Q3	Q4	Year to date
Retail tariff filings received subject to 10-business day reporting		(191)	(163)	(195)	(151)	(700)
1. Ten business day initiative - inform applicant of status						
a) Interim decision issued	85% of interim decisions issued in 10 business days	100% (132 of 132)	99% (128 of 129)	99% (127 of 128)	99% (133 of 134)	99% (520 of 523)
b) Issues identified (letter)	85% of letters issued in 10 business days	95% (41 of 43)	95% (20 of 21)	98% (45 sur 46)	92% (12 of 13)	96% (118 of 123)
c) Interrogatories (letter)	85% of letters issued in 10 business days	100% (9 of 9)	100% (2 of 2)	100% (3 sur 3)	100% (2 of 2)	100% (16 of 16)
d) Closed as deficient (letter)	85% of letters issued in 10 business days	100% (7 of 7)	100% (11 of 11)	94% (17 sur 18)	100% (2 of 2)	97% (37 of 38)
2. Average processing time for initial disposition* of applications	30 business days	9.8	8.4	8.5	8.7	8.9
3. Initial dispositions issued	85% in 45 business days	100%	98.8%	100%	100%	99.9%

* Initial disposition would be the decision or the interim decision if one was issued, or a letter to the applicant indicating that the file is being closed as the application is deemed deficient.

(n) = Number of applications received from 1 April 2006. Only applications received after that date are considered in these service standards.

Q1 = 1 April 2006 to 30 June 2006
Q2 = 1 July 2006 to 30 September 2006
Q3 = 1 October 2006 to 31 December 2006
Q4 = 1 January 2007 to 31 March 2007

1. Under Telecom Circulars CRTC 2005-6 and 2005-9, the CRTC is to inform the applicant(s) of the status of applications within 10 business days of receipt of a complete application. The CRTC is to issue one of the following:

   (a) an order granting the application interim approval;
   (b) a letter stating that it intended to dispose of the application within 45 business days of receipt of the application, setting out the reasons why interim approval was not granted;
   (c) a letter either with interrogatories included or confirmation that interrogatories were to follow within 5 business days, and an indication that it still intended to dispose of the application within 45 business days; or
   (d) a letter indicating that the file was being closed due to deficiencies in the application, identifying the specific deficiencies.

   Thus, Service Standard 1 measures the CRTC's ability to produce results within 10 business days. Results may be produced, but if they are not issued within 10 business days, then they are not counted as success in the report.

2. Under the *Telecommunications Act*, the CRTC is required to issue, within 45 business days of receipt of a tariff application, a decision on the application, or if it cannot do that, a letter indicating when it would issue a decision.

3. The Commission has made available on its website a service standards quarterly report on Tariff filings, for 1 April 2005 to 31 March 2006.

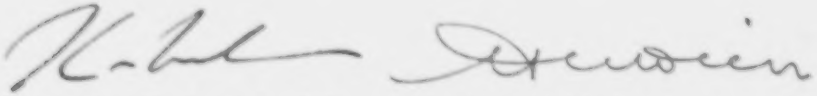
Canadian Radio-television and Telecommunications Commission
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the department's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that (a) financial information is reliable, (b) assets are safeguarded, (c) transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, are within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the Commission have not been audited.



Konrad von Finckenstein, Q.C.
Chairman

Robert A Morin
Secretary General

Gatineau, Canada
Date: 7 August, 2007

Table 8: Financial Statements – Year ended March 31, 2007

Canadian Radio-television and Telecommunications Commission Statement of Operations *(unaudited)* For the Year Ended March 31, 2007 (in dollars)				
	2006-07			2005-06
	Broadcasting (Note 1)	Telecommunications. (Note 1)	Total	
Expenses				
Salaries and employees benefits	19,513,169	20,018,244	40,531,413	40,954,992
Spectrum Management cost (Note 9(a))	10,000,000	-	10,000,000	10,000,000
Professional and special services	2,052,760	2,163,158	4,215,918	3,953,119
Accommodation	1,354,000	1,354,000	2,708,000	2,982,309
Information	1,429,381	239,405	1,668,786	1,927,567
Travel and relocation	869,792	730,157	1,599,949	1,690,123
Amortization expenses	354,353	354,353	708,706	542,614
Repair and maintenance	346,354	345,652	692,006	384,169
Materials and supplies	204,026	198,175	402,201	397,663
Furniture and equipment	169,900	175,830	345,730	228,365
Rentals	191,471	105,713	297,184	278,035
Other	6,072	6,082	12,154	4,694
Bad debt expenses (adjustment to Allowance for doubtful accounts)	(26,524)	(26,524)	(53,048)	328,016
Total expenses	**36,464,754**	**26,664,245**	**63,128,999**	**63,671,666**
Revenues				
Rights and privileges	121,850,542	-	121,850,542	121,211,147
Regulatory fees	26,956,226	26,631,225	53,587,451	49,178,682
Other revenues	21,204	7,820	29,024	259,057
Total revenues	**148,827,972**	**26,639,045**	**175,467,017**	**161,648,886**
Net results of operations	**(112,363,218**	**25,200**	**(112,338,018)**	**(97,977,220)**
The accompanying notes form an integral part of these financial statements				

Canadian Radio-television and Telecommunications Commission Statement of Financial Position *(Unaudited)* as at 31 March, 2007 (in dollars)		
	2006-2007	**2005-2006**
ASSETS		
Financial assets		
Accounts receivables and advances (Note 4)	738,052	575,134
Total financial assets	738,052	575,134
Non-financial assets		
Tangible capital assets (Note 5)	1,100,091	1,432,669
Total non-financial assets	1,100,091	1,432,669
Total Assets	**1,838,143**	**2,007,803**
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	3,184,068	3,153,107
Deferred revenue	26,110	-
Vacation pay and compensatory leave	2,114,470	1,929,813
Accrued employee severance benefits (Note 7(b))	7,362,397	7,350,261
Total Liabilities	**12,687,045**	**12,433,181**
Equity of Canada	(10,848,902)	(10,425,378
Total liabilities and Equity of Canada	**1,838,143**	**2,007,803**
Contingent liabilities (Note 8)		
The accompanying notes form an integral part of these financial statements		

Canadian Radio-television and Telecommunications Commission Statement of Equity of Canada *(Unaudited)* as at 31 March, 2007 (in dollars)		
	2006-07	**2005-06**
Equity of Canada, beginning of year	**(10,425,378**	**(7,015,628)**
Net results of operations	112,338,018	97,977,220
Current year appropriations used (Note 3)	7,712,095	7,897,487
Revenue not available for spending (Note 3)	(135,601,317)	(123,065,887)
Change in net position in the Consolidated Revenue Fund (Note 3)	(79,130)	(1,777,537)
Services received without charge from other government departments (Note 9(a))	15,206,810	15,558,967
Equity of Canada, end of year	**(10,848,902)**	**(10,425,378)**
The accompanying notes form an integral part of these financial statements		

Canadian Radio-television and Telecommunications Commission Statement of Cash Flow *(Unaudited)* For the Year Ended March 31, 2007 (in dollars)		
	2006-07	**2005-06**
Operating Activities		
Net results of operations	(112,338,018)	(97,977,220)
Non-cash items		
Services provided without charge by other government departments included in the Statement of Operations (Note 9 (a))	(15,206,810)	(15,558,967)
Amortization of tangible capital assets (Note 5)	(720,205)	(542,614)
(Gain) loss on disposal of capital assets (Note 5)	63,702	-
Variation in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	162,918	(5,338,912)
(Increase) decrease in liabilities	(253,864)	1,955,440
Cash provided by operating activities	**(128,292,277)**	**(117,462,273)**
Capital investment activities		
Acquisition of tangible capital assets (Note 5)	397,744	516,336
Proceeds from disposal of tangible capital assets (Note 5)	(73,819)	-
Cash used by capital investment activities	**323,925**	**516,336**
Financing activities		
Net cash provided to Government of Canada	127,968,352	116,945,937
The accompanying notes form an integral part of these financial statements		

Notes to the Financial Statements (unaudited)
Year ended March 31, 2007

1. Authority and Objectives

CRTC was created by Parliament in 1968 under the *Canadian Radio-television and Telecommunications Commission Act*. The CRTC reports to Parliament through the Minister of Canadian Heritage.

The CRTC is vested with the authority to regulate and supervise all aspects of the Canadian broadcasting system, as well as the telecommunications services providers and common carriers that come under federal jurisdiction. The CRTC's powers in the area of broadcasting regulation derive from the *Broadcasting Act*. Its powers over telecommunications come from the *Telecommunications Act* and from various "special acts" of Parliament passed for specific telecommunications companies.

The following are the program activity descriptions for the CRTC:

Regulation and Supervision of the Canadian Broadcasting Industry (Broadcasting)

Supervise and regulate all aspects of the Canadian broadcasting system in order to implement the broadcasting policy set out in the *Broadcasting Act*.

Regulation and Monitoring of the Canadian Telecommunications Industry (Telecommunications)

Ensure the implementation of Canadian telecommunications objectives set out in the *Telecommunications Act* and to ensure that Canadian carriers provide telecommunications services and charge rates on terms that are just and reasonable, and do not unjustly discriminate or provide an unreasonable preference toward any person.

2. *Summary of Significant Accounting Policies*

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations and vote-netting - The CRTC is financed in part by the Government of Canada through Parliamentary Appropriations (e.g. Statutory Vote for Employee Benefits Plans (EBP)) and the balance by vote-netted fees it collects from the regulated industries. Vote-netting is a means of funding selected programs or activities wherein Parliament authorizes a

department to apply revenues collected from fee payers towards costs directly incurred for specific activities. CRTC has the authority to use a portion of the Part I licence fees collected from broadcasters and a portion of the annual telecommunications fees collected from telecommunications carriers to finance the costs it incurs in regulating the broadcasting and telecommunications industries (i.e. respendable revenue). The balance of these two fees recovers the costs for items funded through appropriations (e.g. EBP) and costs incurred by other government departments on the CRTC's behalf and are classified as non-respendable revenue.

The accounting of fees collected and the charges to the appropriations in a given year does not parallel financial reporting according to generally accepted accounting principles since they are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through fee collection and the appropriation from Parliament. Note 3 to these financial statements provides information regarding the source and disposition of these authorities as well as a reconciliation between net cash provided to Government to current year appropriation used.

(b) Net cash provided to Government – The CRTC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the CRTC is deposited to the CRF and all cash disbursements made by the CRTC are paid from the CRF. The net cash provided to Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided to Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the CRTC. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues –The CRTC collects fees under the authority of the *Broadcasting Act* and *Telecommunications Act* and the regulations made pursuant to these Acts, namely the *Broadcasting Licence Fee Regulations, 1997* and the *Telecommunications Fee Regulations, 1995*. These fees are accounted for in the period in which the underlying transaction or event occurs that give rise to the revenues. Revenues that have been received but not yet earned are disclosed in the Statement of Financial Position as deferred revenue.

(e) Expenses – Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, spectrum management, and worker's compensation are recorded as operating expenses at their estimated cost.

(f) Employee future benefits :

- Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The CRTC's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the CRTC to make contributions for any actuarial deficiencies of the Plan.
- Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. For matters that are within the normal course of operations, to the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. Matters that are outside of the normal course of operations or for which the potential impact could be significant to the Government are disclosed in the notes to these financial statements, but they are recorded, if required, only at the Government of Canada level.

(i) Tangible capital assets – In the past, all tangible capital assets having an initial cost of $10,000 or more were recorded at their acquisition cost. CRTC changed its threshold for capitalization in 2006-07 to $5,000. The department does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization period
Informatics equipment	3 years
Informatics software	5 years
Vehicles	5 years
Equipment	5 years

(j) Measurement uncertainty - The preparation of these financial statements in accordance with Treasury Board accounting policies (which are consistent with Canadian generally accepted accounting principles for the public sector) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

CRTC receives the major portion of its funding through fees assessed against the regulated industries, i.e. Broadcasting and Telecommunications, as well as a minor portion from Parliamentary appropriations. Since Parliamentary appropriations are not calculated on the accrual accounting basis, there is a difference between appropriations used and: (a) net results of operations; and (b) net cash provided to Government of Canada. The differences are reconciled in the following tables.

(a) Reconciliation of net results of operations to current year appropriations used

	2006-07	2005-06
	(in dollars)	
Net results of operations	(112,338,018)	(97,977,220)
Adjustments for items affecting net results from operations but not affecting appropriations:		
Add(Less):		
Services provided without charge	(15,206,810)	(15,558,967)
Employee severance benefits	(12,136)	(1,056,203)
Amortization of tangible capital assets	(708,707)	(542,614)
Reversal of legal expenses charged to Justice appropriation	(148,715)	(203,166)
Bad debt expenses	53,049	(328,016)
Vacation pay and compensatory leave	(184,656)	(63,623)
Revenue not available for spending	135,601,317	123,065,887
Refund of prior years expenses and adjustment to payables at year end	260,642	45,073
(Loss) gain on disposal and write-down of tangible capital assets	(10,116)	-
Sub-total	119,663,868	105,358,371
Adjustments for items not affecting net results of operations but affecting appropriations		
Add(less):		
Acquisitions of tangible capital assets	386,245	516,336
Current year appropriations used	**7,712,095**	**7,897,487**

(b) Appropriations provided and used

Vote 45-Program expenditures and transfer from Treasury Board Vote 5 and 15	2,778,301	3,341,601
Statutory amounts	5,374,297	5,613,207
Total appropriation available	8,152,598	8,954,808
Less:		
Appropriations available for future years	(440,503)	(1,057,321)
Current year appropriations used	**7,712,095**	**7,897,487**

(c) Reconciliation of net cash provided to Government to current year appropriations used

	2006-07	2005-06
	(in dollars)	
Net cash provided to Government	(127,968,352)	(116,945,937)
Revenue not available for spending	135,601,317	123,065,887
	7,632,965	6,119,950
Change in net position in the Consolidated Revenue Fund		
(Increase) decrease in accounts receivable and advances	(109,869)	5,010,896
Increase (decrease) in accounts payable, accrued liabilities and deferred revenue	57,071	(3,075,266)
Refund of prior years expenses	280,643	45,073
Reversal of payments to Department of Justice	(148,715)	(203,166)
	79,130	1,777,537
Current year appropriation used	**7,712,095**	**7,897,487**

4. Accounts Receivable and Advances

Accounts Receivable and Advances

	2006-07	2005-06
	(in dollars)	
Receivables from other Federal Government departments and agencies (Note 9 (b))	605,095	165,345
Receivable from external parties	88,902	476,814
Other	57,390	4,497
	751,387	646,656
Less:Allowances for doubtful accounts on external receivables	(13,335)	(71,522)
Total	**738,052**	**575,134**

5. Tangible Capital Assets

(in dollars)

	Cost			
Capital asset class	**Opening balance**	**Acquisi-tions**	**Disposals and write-offs**	**Closing balance**
Equipment	80,082	48,696	-	128,778
Vehicles	45,406	-	-	45,406
Informatics Equipment	584,954	152,906	49,432	688,428
Informatics Software	2,323,803	196,142	24,387	2,495,558
Total	**3,034,245**	**397,744**	**73,819**	**3,358,170**

	Accumulated amortization				2007	2006
Capital asset class	**Opening balance**	**Amorti-zation**	**Disposals and write-offs**	**Closing balance**	**Net book value**	**Net book value**
Equipment	24,025	16,016	-	40,041	88,737	56,057
Vehicles	30,148	8,733	-	38,881	6,525	15,258
Informatics Equipment	414,788	146,577	49,432	511,933	176,495	170,166
Informatics Software	1,132,615	548,879	14,270	1,667,224	828,334	1,191,188
Total	**1,601,576**	**720,205**	**63,702**	**2,258,079**	**1,100,091**	**1,432,669**

6. Accounts Payable and Accrued Liabilities

Accounts Payable and Accrued Liabilities

	2006-07	2005-06
	(in dollars)	
Accounts payable-other Federal Government departments and agencies(Note 9(b))	215,434	157,890
Accounts payable-external parties	1,301,177	1,197,368
Accruals-salaries	1,561,420	1,725,071
Accruals-operating and maintenance	106,037	72,778
Total Accounts Payable and Accrued Liabilities	3,184,068	3,153,107

7. Employee Benefits

(a) Pension benefits: The CRTC's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the CRTC contribute to the cost of the Plan. The 2006-07 expense amounts to $4.0 million ($4.2 million in 2005-06), which represents approximately 2.2 times (2.6 times in 2005-06) the contributions by employees.

The CRTC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The CRTC provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, are indicated below.

Severance benefits

	2006-07	2005-06
	(in dollars)	
Accrued severance liabilities, beginning of year	7,350,261	6,294,058
Expense for the year	979,600	1,724,604
Benefits paid during the year	(967,464)	(668,401)
Accrued severance liabilities, end of year	7,362,397	7,350,261

8. Contingent liabilities

As of 31 March 2007, the Government of Canada for matters involving the CRTC had one claim outstanding as a result of litigation which pertains to a challenge of the CRTC's Part II broadcasting licence fees. In December 2006, the Federal Court declared ultra vires the regulation prescribing the Part II licence fees. This

case has been appealed to the Federal Court of Appeal and the outcome is not known at this time. The financial impact of this litigation will be recorded in the financial statements of the CRTC if required once all legal proceedings are complete and the outcome of the litigation is known.

9 Related party transactions

As a result of common ownership, CRTC is related to all Govenment of Canada departments, agencies, and Crown corporations. CRTC enters into transactions with these entities in the normal course of business and on normal trade terms.

(a) Services provided without charge:

During the year, CRTC received services without charge from other departments for items such as accommodation, the employer's contribution to the health and dental insurance plans. The services without charge that have been recognized in the department's Statement of Operations are indicated below.

	2006-07	2005-06
	(in dollars)	
Services provided without charge		
Workmen's Compensation expenses (Human Resources and Social Development Canada)	42,810	42,005
Health & Dental expenses (Treasury Board Secretariat)	2,456,000	2,534,653
Accommodation expenses (Public Works and Government Services Canada)	2,708,000	2,982,309
Spectrum Management expenses (Industry Canada)	10,000,000	10,000,000
Total	**15,206,810**	**15,558,967**

Industry Canada is responsible for the management of the broadcasting spectrum. As part of this responsibility, Industry Canada conducts several activities including the issuance of technical certificates that accompany the broadcasting licences issued by the CRTC where the use of broadcasting spectrum is required, as well as monitoring for interference that could affect spectrum use. Total costs related to Industry Canada's broadcasting spectrum management are reported to the CRTC on an annual basis, as these costs are a component of the Part II broadcasting licence fees collected by the CRTC on behalf of the Government. Other services provided without charge to the CRTC as noted above are a component of the Part I broadcasting licence fee and the annual telecommunications fee collected by the CRTC.

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and

cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General of Canada, are not included as an expense in the CRTC's Statement of Operations, nor are they recovered as a component of the CRTC Part I broadcasting licence fee or annual telecommunications fee.

(b) Payables and receivables outstanding at year-end with related parties:

	2006-07	2005-06
	(in dollars)	
Accounts receivable with other government departments and agencies	605,095	165,345
Accounts payable to other government departments and agencies	215,434	157,890

10. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

Table 9: Response to Parliamentary Committees, Audits and Evaluations

2005-11 OAG Chapter 5 - Support to Cultural Industries		2005-11 BVG Chapitre 5 - Le soutien accordé aux industries culturelles	
5.99 Recommendation . The Canadian Radio-television and Telecommunications Commission should inform the Canadian Television Fund of the amount each cable or satellite distribution company should have paid it the previous year, and should require confirmation from the Canadian Television Fund that it received those amounts.		5.99 Recommandation. Le Conseil canadien de la radiodiffusion et des télécommunications devrait informer le Fonds canadien de télévision des sommes que les entreprises de distribution par câble et par satellite auraient dû lui verser durant la dernière année et exiger que le Fonds canadien de télévision lui confirme les sommes qu'il a reçues.	
Entity(ies):	Canadian Radio-Television and Telecommunications Commission	Entité(s):	Conseil de la radiodiffusion et des télécommunications canadiennes
Update N/A:		**Mise à jour N/A:**	
First evaluation year - No previous update / Première année d'évaluation - aucune mise à jour antérieure			
OAG Assessment N/A: First evaluation year - No previous assessment		**Évaluation du BVG N/A:** Première année d'évaluation - aucune évaluation antérieure	
Update 2007 :		**Mise à jour 2007 :**	
On 15 March 2007, the CRTC provided the Canadian Television Fund (CTF) with a document that details the amounts that the CTF should expect to have received for the 2005 Broadcast year. The information was made available on a licensee-specific basis. Upon confirmation by the CTF of the amounts it received, the CRTC will follow up as necessary with those distribution companies who have not contributed the expected amounts.		**Le 15 mars 2007, le CRTC a fournit un document détaillant les montants dont le Fonds des talents canadiens (FTC) devrait bénéficier pour l'année fiscale 2005. L'information a été rendue disponible d'après les spécifications individuelles des titulaires. Sur réception de la confirmation des montants reçus par le FTC, le CRTC effectuera les suivis nécessaires auprès des entreprises de distribution qui n'auront pas contribué les montants prévus.**	

Travel Policies

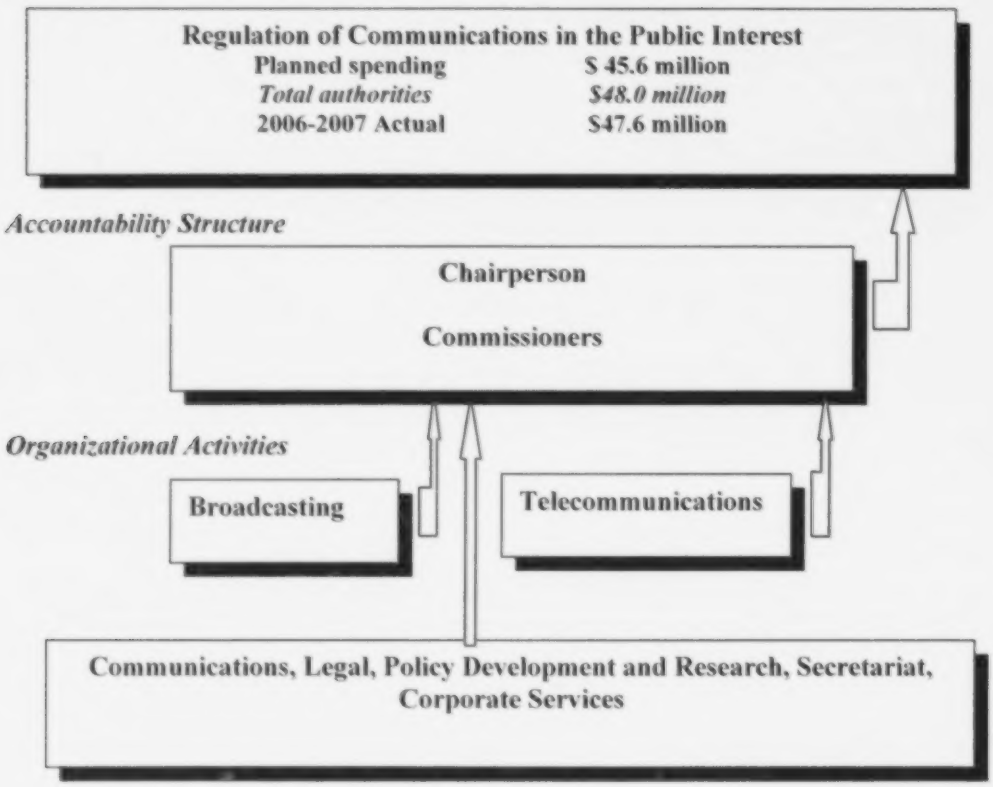
The CRTC follows and uses the Treasury Board Secretariat (TBS) travel policies. This includes the TBS Special Travel Authorities and the TBS Travel Directive, Rates and Allowances.

Financial Information & Summary Tables

A graphical representation of the accountability and activity structure, including resource levels, is noted below.

CRTC Accountability Activity Structure

Business Line



Note: The CRTC reports to Parliament through the Minister of Canadian Heritage

APPENDICES

Appendix A: CRTC Members and Offices

CRTC Members		
Chairman	*Konrad von Finckenstein*	*(819) 997-3430*
Vice-Chairman, Broadcasting	*Michel Arpin*	*(819) 997-8766*
Vice-Chairman, Telecommunications	*Vacant*	*(819) 997-8766*
Commissioner	*Barbara Cram,* Manitoba/ Saskatchewan*	*(819) 997-4485* *(306) 780-3422*
Commissioner	*Rita Cugini,* Ontario*	*(819) 997-2431* *(416) 954-6269*
Commissioner	*Helen del Val,* British Columbia/Yukon)*	*(819) 934-6347* *(604) 666-2914*
Commissioner	*Elizabeth Duncan,* Atlantic*	*(819) 997-4764* *(902) 426-2644*
Coommissioner	*Michel Morin*	*(819) 953-4375*
Coommissioner	*Stuart Langford*	*(819) 997-4126*
Commissioner	*Andrée Noël,* Quebec*	*(819) 997-3831* *(514) 496-2370*
Commissioner	*Ronald D. Williams,* Alberta/Northwest Territories*	*(819) 953-0435* *(780) 455-6390*

*** These commissioners also have regional responsibilities**

Client Services – Central Office **Telephone (Toll-Free)**	***1-877-249-CRTC (2782)***
Client Services	(819) 997-0313
Public Examination Room	(819) 997-2429
Access to Information and Privacy	(819) 994-5366
Library	(819) 997-4484
TDD (Toll-Free)	1-877-909-2782
Media Relations	(819) 997-9403
Fax Numbers	
General	(819) 994-0218
Communications	(819) 997-4245
Finance and Corporate Services	(819) 953-5107
General Counsel	(819) 953-0589
Human Resources Information	(819) 953-5107
Electronic Access	
Internet	http://www.crtc.gc.ca

CRTC Offices	
Central Office Les Terrasses de la Chaudière Central Building 1 Promenade du Portage Gatineau, Quebec J8X 4B1 Tel.: (819) 997-0313 Fax: (819) 994-0218 TDD: 1-877-909-2782 **Mailing address:** CRTC Ottawa, Ontario K1A 0N2	**In Ontario** 55 St. Clair Avenue East Suite 624 Toronto, Ontario M4T 1M2 Tel.: (416) 952-9096 Fax: (416) 954-6343
In Nova Scotia Metropolitan Place 99 Wyse Road Suite 1410 Dartmouth, Nova Scotia B3A 4S5 Tel.: (902) 426-7997 Fax: (902) 426-2721 TDD: (902) 426-6997	**In Saskatchewan** Cornwall Professional Bldg. 2125-11th Avenue Suite 103 Regina, Saskatchewan S4P 3X3 Tel.: (306) 780-3422 Fax: (306) 780-3319
In Quebec 205 Viger Avenue West Suite 504 Montréal, Québec H2Z 1G2 Tel.: (514) 283-6607 Fax: (514) 283-3689	**In Alberta** Standard Life Centre 10405 Jasper Avenue, Suite 520 Edmonton, Alberta T5J 3N4 Tel.: (780) 495-3224 Fax: (780) 495-3214
In Manitoba 275 Portage Avenue Suite 1810 Winnipeg, Manitoba R3B 2B3 Tel.: (204) 983-6306 Fax: (204) 983-6317 TDD: (204) 983-8274	**In British Columbia** 580 Hornby Street Suite 530 Vancouver, British Columbia V6C 3B6 Tel.: (604) 666-2111 Fax: (604) 666-8322 TDD: (604) 666-0778

Appendix B: Legislation, Directions and Associated Regulations

Statutes

Canadian Radio-television and Telecommunications Commission Act	R.S.C. 1985, c. C-22, as amended
Broadcasting Act	S.C. 1991, c. 11, as amended
Telecommunications Act	S.C. 1993, c. 38, as amended

Directions, Regulations and Rules of Procedure

Direction to the CRTC (Ineligibility of Non-Canadians)
Direction to the CRTC (Ineligibility to Hold Broadcasting Licences)
Direction to the CRTC (Reservation of Cable Channels)
CRTC Rules of Procedure
Broadcasting Information Regulations, 1993
Broadcasting Licence Fee Regulations, 1997
Broadcasting Distribution Regulations
Pay Television Regulations, 1990
Radio Regulations, 1986
Specialty Service Regulations, 1990
Television Broadcasting Regulations, 1987
CRTC Tariff Regulations
CRTC Telecommunications Rules of Procedure
Telecommunications Fee Regulations, 1995
Canadian Telecommunications Common Carrier Ownership and Control Regulations